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Saud, Hurd to discuss ties in Taif

By a Staff Writer

JEDDAH, July 26 — British Foreign Affairs Minister Douglas Hurd arrived here Saturday for a two-day visit intended to improve Britain's strained relations with Saudi Arabia.

A British foreign office spokesman said it is hoped Hurd's talks with Foreign Minister Prince Saud Al-Faisal will improve relations between the two countries and "restore them to their former excellent level."

Relations between Saudi Arabia and Britain suffered a serious setback earlier this year when a British television network screened the film "Death of a Princess," which deeply offended the Saudi Arabian government. The Kingdom's leaders felt the broadcast was hostile to the Islamic way of life.

The British responded by saying their government could not stop the film's showing because it could not interfere with "press and broadcasting freedom."

The Saudi Arabian Government asked its ambassador-designate in London Sheikh Nasser Al Manqoor, to postpone the presentation of his credentials and asked British ambassador James Craig to leave the country.

Craig will not be accompanying Hurd on this visit. Instead, the man in charge of Middle East affairs at the foreign office, Mr. Moberley, will be in Hurd's delegation.

The foreign office statement said it was made clear all along that it was the government's policy to work for an improvement in Anglo-Saudi relations. The visit was arranged "by mutual agreement," it said. The Foreign Office said it hopes to restore bilateral relations "to their former excellent level." There might also be an opportunity to touch on some international issues of common interest, it added.

British ministers have expressed regret over the film and strongly criticized it. In May, Lord Carrington, the British foreign minister, again expressed his regrets over the film and the subsequent deterioration of relations between the two countries. Speaking to London's Middle East discussion group he said the film was bad and should never have been shown. Carrington called for a restoration of the two countries' old friendship and expressed hope that high-level contacts would soon be resumed. This was taken by some aides to mean that he was willing to visit the Kingdom if invited to do so.

Lord Carrington also said he was not aware of any punitive measures taken against British companies by the Saudi Arabian government. There are nearly 20,000 British workers in the Kingdom and British exports totaled about \$2.4 billion last year.

At the time the film was screened in London, the Council of Ministers here condemned the British government's "negative stand concerning the film." It said it was giving serious consideration to economic relations between the Kingdom and British, particularly with regard to the work of British companies here.

The British government apologized about the film but said it had no power to stop it.

At U.N. conference PLO claims victory

COPENHAGEN, July 26 (AP) — The Palestinian Liberation Organization (PLO) proclaimed "total victory" Friday night as a committee of the U.N. women's conference here voted it a prominent role mid-way through the U.N.-proclaimed decade for women.

The committee put into the action plan for the second half of the decade a provision that assistance to Palestinian women be given in "consultation and cooperation" with the PLO.

The vote was a clear setback for efforts by the Israeli, U.S. and most Western delegations to remove from the action program all elements preventing consensus.

The PLO observer delegation was jubilant. There was no way to prevent the plenary session next from adopting an action plan that not only gives the PLO a role handling U.N. funds, but also refers to Israel as "the occupied territories."

U.S. delegates would not immediately commit themselves on their stand in the plenary, but it was extremely unlikely that they would accept that kind of language.

"We don't know yet," one U.S. delegate said when asked about the American strategy for the plenary. The options for the United States and a number of Western countries were few. They could try to bring up the controversial section again in the plenary, but nothing but a new defeat appeared in prospect. They could reject the whole action program which would leave the women's decade in disarray. Or they could abstain, walk out on, or stay away from the crucial vote.

Friday's vote came after four hours of tumultuous committee debate that at one point had to be suspended simply because there was too much confusion on which of a number of rivaling motions the committee was supposed to be voting on.

Affirms Palestinian rights Draft calls for pull out

UNITED NATIONS, July 26 (AFP) — Twenty-six nonaligned countries, plus East Germany, Hungary and the Ukraine, officially submitted on Friday night a Palestine resolution which had been in preparation for a week during the General Assembly's special emergency debate on the subject.

The 15-point text reaffirmed the Palestinians' right to self-determination "without external interference" and their right to establish their "own independent sovereign state."

It also restated the right of the Palestine Liberation Organization (PLO), the representative of the Palestinian people, to participate on an equal footing in all efforts, deliberations and conferences on the "question of Palestine" and the "situation in the Middle East" within the framework of the United Nations.

The resolution called on Israel "to completely withdraw unconditionally from all the Palestinian and other Arab territories occupied since June 1967, including Jerusalem." It said all property and services should be left intact and that a withdrawal should start before November.

It said that if Israel failed to comply with the terms of the resolution, the Security Council should "convene in order to consider the situation and the adoption of effective measures under chapter seven of the United Nations Charter."

The sponsors opposed "all policies and plans aimed at the resettlement of the Palestinians outside their homeland."

They restated "the fundamental principle of the inadmissibility of the acquisition of territory by force" and reaffirmed "in particular that a comprehensive, just and lasting peace in the Middle East cannot be established, in accordance with the U.N. Charter and the relevant U.N. resolutions, without the withdrawal of Israel from all the occupied Palestinian and other Arab territories, including Jerusalem, and without the achievement of a just solution of the problem of Palestine on the basis of the attainment of the inalienable rights of the Palestinian people in Palestine."

A vote on this is expected on Tuesday after conclusion of the emergency debate.

Iran's delegate to the Assembly also called Friday for economic pressure on Israel and its supporters, especially the United States.

Ali Shams Ardekani, Iranian ambassador to Kuwait, called for endorsement of Palestinian "inalienable rights," a phrase used to cover statehood in the West Bank and Gaza Strip and recovery or compensation for Palestinian homes abandoned when Israel was founded in 1948.

"We should also exert economic and political pressure on those that help this parasitic entity to survive and to commit aggression," he said, referring to Israel.

He suggested that governments exert such pressure "by abandoning trade" with Israel's backers and especially "calling off strategic" shipments.

"We say the problem is not with Israel," Ardekani went on, the problem is with those who created Israel and who also support Israel.

We have to have a resolution based on an action plan," he said. "Therefore, we think the way to do it is to put the pressure on Israel through all those appeasers of the last 30 years."

"Enemies of the people — with the United States on top of the list — they would like to see that there is no Palestine," he charged.

The ambassador criticized the 1978 U.S.-Egypt-Israel Camp David agreements, now being followed up with talks on autonomy for Palestinians in Israeli-occupied territory.

He also rejected "the so called scheme of creating a Jewish Jerusalem."

Spanish Ambassador Jaime de Pinies told the assembly his delegation hoped the

Kreisky sees war if deadlock goes on

By Younis M. Issac

VIENNA, July 26 — The continuing deadlock in resolving the Palestinian problem could lead to a new war in the Middle East, Austrian Chancellor Bruno Kreisky says.

In an interview published this week by Arab News sister weekly publication Al Majallah.

Kreisky said Menachem Begin's present cabinet does not seem to favor a resolution to the Palestine problem and the American government can do little to help while awaiting a presidential election. These two factors combined with Egypt's inability to make progress on the Palestinian question create a dangerous situation, he believes.

"Many reasons drive me to the conclusion that a new war might break out in the Middle East," Kreisky said, "and one of them is the presence of highly extremist elements in the Israeli government."

The Austrian leader said he believes there is little room for an optimistic outlook for the Middle East because the chance of a breakthrough in negotiations appears slim. Kreisky said he expects no dramatic change in the near future.

In Kreisky's view, both Egyptian President Anwar Sadat and U.S. President Jimmy Carter want to see the Camp David accords reactivated, but Israel's unyielding attitude toward concessions frustrates the two leaders' attempts. Kreisky said President Sadat is now facing this reality, but hopes a new Israeli government will change the situation before he is forced to admit failure.

Chancellor Kreisky feels the Palestinian autonomy talks will drag on until the American presidential election in November and the possible establishment of a new Israeli government.

"Nothing indicates that an acceptable solution is in sight," he said. "The peace process still has a long way to go before a peaceful and acceptable solution is found."

The Austrian government has given strong support to a permanent resolution of the Palestinian problem in the past, and Kreisky renewed that commitment during his remarks to Al Majallah. He ridiculed claims that the establishment of an independent Palestinian state would open a door for Soviet intervention in the region that could jeopardize Israel's security. He said Israeli sympathizers in the United States originate such scare rumors to win over American public opinion.

Kreisky said the facts show there are no more Palestinian Communists than Israeli Communists, and that the Soviet Union already "has its way in the area," through contacts with some Arab countries. He pointed to the Soviet Union's excellent relations with Syria and South Yemen, two Arab states that have not allowed those relations to blossom into a Soviet military presence.

Communism's greatest threat in the Middle East will grow out of the continuing conflict between Palestinians and Israelis which could offer the Soviets a foot in the door, Kreisky believes. But he said if the Palestinian problem is solved, the Soviet Union would have to reduce its influence in the area.

"All we can do is wait and see," he said, adding that a new Israeli government would probably not adopt the Begin approach to Palestinian autonomy. But Kreisky said no Israeli government would accept Palestinian autonomy, although a change in government might bring out new proposals.

Kreisky defined his attitude toward Palestinian autonomy by saying he had been following the Palestinians' problems closely for more than 20 years.

"When people are facing a problem, or are



INTERVIEW: Chancellor Bruno Kreisky receives Younis M. Issac of Al Majallah in Vienna.

West Bank tension continues

TEL AVIV, July 26 (AFP) — Tension was high in the West Bank, Gaza and Jerusalem's Arab section Friday, after the second death this week of a Palestinian prisoner on a hunger strike over Nafkha Prison conditions.

The Israeli army had imposed emergency measures to keep the situation in hand as mosques let out after Friday prayers.

The Arab part of Jerusalem was cut off from the West Bank after Friday prayer had finished at the Al-Aqsa Mosque to prevent any gathering and possible confrontations with the army. Several thousand people dispersed peacefully as soldiers and police stood by. An attempted protest at Ramallah following prayers at the Gamal Abdul Nasser Mosque failed.

A hunger strike by 24 Palestinian prisoners from Nafkha, the Negev Desert jail, entered its 11th consecutive day. The strikers, earlier transferred to another place, were demanding that conditions in Nafkha be improved or the prison be shut down.

Several of the Palestinian prisoners' mothers also began a hunger strike on Thursday near the Red Cross in Jerusalem's Arab section.

Meanwhile, Israeli Interior Minister Yosef Burg said in Yediot Aharnot newspaper that the two prisoners who died after being forced "had spilled Jewish blood."

Jerusalem's Arab newspapers Friday published dozens of condolence messages from various municipalities and organizations.

وادي القمر

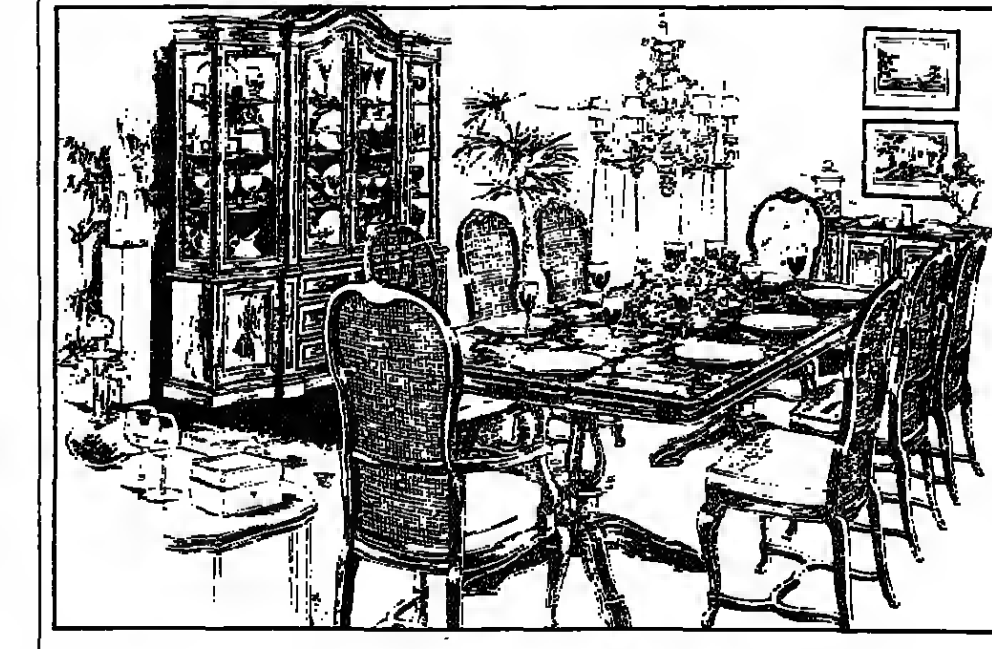
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35 tons of mangoes daily

Kingdom's fruit imports increasing

JEDDAH, July 26 — About 35 tons of fresh mangoes are being flown here daily from Pakistan to meet their popular demand in the Kingdom, Pakistani Embassy sources said Saturday.

The consignments are being air-freighted direct from Karachi airport to Riyadh, Dhahran and Jeddah where arrangements have been made for their quick clearance. The consignments reach the fruit stalls within a matter of hours.

Quick clearance arrangements have also been made at the Karachi Airport where the mangoes are brought either by air or refrigerated railways wagons and trucks from the fruit-growing hinterland. Special freight rates have been prescribed for air-lifting these consignments.

The transportation of Pakistani mangoes

to the Kingdom is being equally shared by the two national airlines, PIA of Pakistan and Saudia.

Although Pakistani mangoes have captured a popular market in the Kingdom, the country produces a large variety of fruits in abundance and exportable surpluses throughout the year. These include apples, grapes, cherries, apricots, peaches, pears, guava, pomigranates, banana and the whole family of citrus fruits.

The production of some other fruits like coconut, papia and berries is also on the increase and expected to begin yielding exportable surpluses.

The production of some fruits in Pakistan is so abundant that during the season these sell at throw-away prices. Some of them are even used as animal feed.

The Pakistan government is making all-out efforts to utilize this enormous fruit wealth for boosting up its export earnings, but its endeavors have been handicapped because of the lack of adequate facilities for quick transportation of this perishable merchandise.

The PIA has, however, lately begun playing a vital role in siphoning off this abundant fruit yield into productive channels of export trade.

It air-freighted more than 3,500 tonnes of mangoes and citrus fruits to the Kingdom and Gulf states from April last to June this year, fetching about SR5.6 million to the country in export earnings. In May and June this year alone, it transported about 695 tonnes of mangoes to the Kingdom and some Gulf states.

The PIA's involvement will lend great support to Pakistan Government's efforts to boost fruit exports. Already, a chain of cold storages is being set up in the vicinity of fruit growing areas. Fruit growers are being taught modern techniques of fruit packing and labeling. Facilities for grading, polishing, waxing and packing are being expanded. Capacity for transportation of fruits to Karachi from the fruit-growing areas through refrigerated railway wagons and trucks has been substantially beefed up.

Air conditioner demand rising for local firm

DAMMAM, July 26 — Al-Zamil Refrigeration Industries (ARI), Arabia's first and largest manufacturer of air conditioning units, recently completed a market survey that predicts a demand for 814,000 window units by 1985.

A Saudi Business article by Scott Pendleton said the figure is based on a very conservative five per cent annual growth rate from 1979's 200,000 window units and 30,000 central units. The actual growth in demand could run as high as 15 per cent per annum, company officials said.

"We aim to capture 40 per cent of the market," says Ahmad Al-Zamil, managing director of ARI.

In order to do this, ARI will have to expand its capacity not only to keep its present 30 per cent share, but to get the additional 10 per cent.

Al-Zamil says that the company's 45,000-square-meter plant in Dammam can already produce just under 200,000 window units a year and 20,000 central. By the end of 1981, working two-and-a-half shifts a day, the factory will be able to turn out 250,000 window units and 25,000 central units, and by the end of 1982 up to 300,000 and 30,000 respectively.

The company already employs 1,200 workers, twice as many as all other domestic manufacturers together. It will hire another 380 within six months, Al-Zamil says, and will boast 1,600 by March of 1981.

ARI, which has been in production since 1974, manufactures air conditioners under licence from Friedrich of San Antonio, Texas.

The parts used in the air conditioners are about 70 per cent of local manufacture. Only the compressors, motors and controls come from abroad, and these ARI buys direct from well-known American manufacturers, like Emerson Electric. Some of the plastic parts which must now be imported will soon be turned out in the Saudi Plasticware factory, another enterprise in the huge Al-Zamil group of companies.

Sales for 1978-79 totalled SR117 million, Al-Zamil says, while revenues in 1979-80 are SR175 million. Next year Al-Zamil is forecasting income of SR240 million. By 1985 he expects sales to climb to a breathtaking SR800 million.

Out of sales revenues, profits average about 10 to 15 per cent, especially on bigger

Layla citizens mark opening of phone facility

RIYADH, July 26 (Special) — The community of Layla (Al Afaj) recently entered the modern telecommunications age with the opening of its own telephone exchange, Saudi Telephone reported Saturday.

The citizens of Layla celebrated their new symbol of prosperity at a special ceremony hosted by the Emir of Layla Hussein ibn Jais, and attended by Saudi Telephone's central region District Manager Muhammad Sadik Ibrahim and additional guests.

The new exchange in Layla is completely automatic with a capacity of 1,500 lines. There currently are 800 subscribers using the exchange facilities. Saudi Telephone reported. Layla's telephone number prefix is 682, followed by four digits. The long distance calling code for Layla is "50." All of Saudi Telephone's special service codes are available in Layla, including International Subscriber Dialing, which now directly connects citizens with 85 countries around the world.

Layla is situated in Saudi Telephone's Central Region District, approximately 300 kilometers south of Riyadh along the road to the empty quarter.

saudi comment

By Abdul Rahman Saad Al-Samari
Al-Jazirah

Governor of Riyadh Prince Salman laid the foundation-stone of the Charitable Hospital in Riyadh Saturday. Prince Salman, who is himself a philanthropist and chairs the Islamic Welfare Society and the Charitable Society of Riyadh, will lay the foundation-stone of many such hospitals throughout the country in the near future.

Only recently, he laid the foundation-stone of similar hospitals in Mecca and Medina. By the Grace of God, the Islamic Welfare Society will set up residential units and welfare projects in all parts of the Kingdom. The society has already established its identity, by deeds and not words, in less than a year of its establishment. The credit goes to the man who stands behind it to boost its activities.

On this occasion, I would like to urge our businessmen and others owning millions and billions of riyals to perform charitable deeds in Ramadan, the month of divine blessings. There are countless millionaires in the capital and we only wish God bless them to open their hearts in this auspicious month so they may give liberally for benevolent causes. Like an ant that only knows to store, there are people who amass funds and try to remain incognito.

They have remained aloof from the welfare societies, and even if they did something it was only nominal. Such people must come forward with a big heart, remembering that God does not let good deeds go unrewarded.

At the same time, we admire those philanthropists who have liberally helped the society. We pay them our sincere gratitude and tell them that God will increase His blessings upon them for their good deeds toward the human society.

prayer times

Sunday	Mecca	Medina	Nejd
Fajr	4.33	4.25	3.59
Ishraq	5.58	5.48	5.28
Dhuhr	12.33	12.34	12.07
Asr	3.51	4.01	3.31
Maghreb	7.04	7.10	7.41
Isha	9.04	9.10	8.41

Joint venture to open market for International Harvester

By Shirley Kowitz
Houston Bureau

HOUSTON, July 26 — International Harvester's Truck Group has announced its entry into the Saudi Arabian market by a joint venture with a major Saudi distributions company that will market IH's trucks and buses.

The new venture was undertaken by International Harvester Export Company with Arabian Auto Agency, Jeddah, which has formed the AAA-IH Truck Division to market and service International Truck products. Under a five-year agreement, AAA will provide exclusive sales, parts and service facilities at Jeddah, Riyadh, Dammam,

Buraydah, Juhail and Yanbu and appoint up to 25 sub-dealers. IH provides key management in the areas of sales, service parts and finance. AAA President Prince Zeid M. Sudairi will head the joint AAA-IH management committee that controls the venture.

The original sales target, according to IH, was 900 units for the first year. Firm orders already in hand, however, indicate that this target will be exceeded providing a turnover in excess of \$20 million. Sales are now projected at 2,500 units by 1983.

According to Richard Ide, IH's vice president-general manager for Europe, Africa, Mid-East, IH has over 80,000 different combinations of models, cabs, engines, axles and gearboxes. "From this fixed line of products, we have selected and developed just 100 basic specifications to match the specific operating requirements of Saudi Arabian customers," Ide said.

International Harvester will offer its rationalized "S" Series medium duty and PAYSTAR heavy duty truck models. These models were especially designed for the area in 1978.

The company will also sell petrol engines. "Petrol engines are still popular in Saudi Arabia where the cost of energy is relatively unimportant when compared with simplicity and maintenance costs," Ide said. "The IH/Saudi range, therefore, includes petrol engines as well as diesels."

Flour price unified

DAMMAM, July 26 (SPA) — Flour, in its various forms, is available in Eastern Province markets, acting sales director of the Flour Mills and Grain Silos Organization in Dammam said Saturday.

Nasr Hallal said flour is sold to distributors at a unified price in Dammam, Hadda and the northern region. There are three types of flour being sold at SR11, SR13 and SR40 for a 45 kilogram bag. In addition there are large quantities in the market of other types of wheat used for offering the Zakat (2.5 per cent of a Muslim's property). This type is sold at SR45 for a 50 kilogram bag.

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A/C LEADER: Ahmad Al-Zamil (second from right) opening the Dammam sales and service center.

projects which must be bid competitively. Al-Zamil says. Profits on sales of individual units may sometimes reach 18 to 20 per cent.

Individual sales account for about 30 per cent of ARI's output. Contractors working on government projects take another 30 per cent, while Aramco takes from 20 to 25 per cent. The remaining 10 to 15 per cent is sold to the Royal Commission at Jubail and Yanbu.

The Royal Commission has bought 23,000 window units and 1,500 central units for Yanbu, and 32,000 and 3,000 of each for Jubail.

Demand already outstrips supply. ARI has an order backlog of 45,000 window units, making the plans for expansion not a minute too soon.

At present ARI air conditioners are sold through 36 dealers Kingdom-wide, and the company is seeking as many more.

The company also plans to install 13 regional facilities to service as warehouses, service centers and duct shops. Seven such centers are already operating. According to Al-Zamil, last year's revenue included SR60 million from service work and SR23 million for ductwork.

The warehouse will also supply 25 neighborhood sales and service shops. These will

be identical, consisting of a two-story concrete building occupying 500 square meters of a 100-square-meter plot. Fully equipped to perform vacuuming, steam cleaning and all other services, the neighborhood shops will cost about SR5 million.

But Al-Zamil doesn't expect ARI to operate these shops. Instead, he foresees franchising them to Saudis who would have three to five years experience as a mechanical engineers. He expects the neighborhood shops to gross SR2 million a year.

Al-Zamil notes that ARI will be the first company to employ the neighborhood shop concept. Five such centers will be built in Riyadh, five in Jeddah, and two in Hadda. Implementation of the plan will begin in six months.

Donations list released

RIYADH, July 26 (SPA) — Riyadh Philanthropic Society received a new list of donations Saturday on the occasion of the holy month of Ramadan. The donations totalled to SR573,000 — including SR250,000 from Sheikh Ahmad Muhammad Baghla; SR100,000 from Hajj Hussain Alireza and company; and SR50,000 from Saad and Saqqaf Commercial Company.

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2 hijackers surrender to Kuwaiti authorities

KUWAIT, July 26 (AFP) — Two hijackers, who seized a Kuwait Airways Boeing 737 while on a flight from Beirut to Kuwait, Saturday surrendered here to the local representative of the Palestine Liberation Organization (PLO), sources said. The 69 other passengers and nine crew members were released at different stages of the hijack, which lasted 26 hours and took the plane from Kuwait to Bahrain, back to Kuwait, on to Abadan in Iran, and finally back to Kuwait.

The hijackers — two brothers holding Jordanian passports who were expelled from Kuwait last year on charges of passing bad cheques — had demanded a ransom of one million dollars, which they claimed was owed to them by a Kuwaiti businessman. Armed with guns and grenades, they seized the plane shortly after take-off from Beirut. Thirty six

women and children were freed when the plane first landed at Kuwait airport. The plane then left for Bahrain where it refuelled before it returned here after Dubai refused it permission to land.

Kuwaiti officials and PLO representative Awni Battat then negotiated for two hours at the airport with the hijackers who demanded that the ransom be turned over to their family in Beirut.

In the first hours of the morning, the plane managed to take off from a blacked out runway, and headed for Abadan, in southwest Iran.

Two passengers were taken ill in Abadan and freed by the hijackers there. The plane then took off intending to go to Tehran, but Iranian authorities refused to allow it to land and closed all other airports.

Mideast briefs

NEW DELHI, (AFP) — The chances of an Afghanistan-Pakistan dialogue to defuse the Afghan crisis have improved, a foreign ministry spokesman announced here Saturday. The improvement was noted by Indian Foreign Minister Narasimha Rao, who met with his Afghan and Pakistani counterparts, Shah Mohammed Dost and Agha Shahi, in New York earlier this week.

PEKING, (R) — The Chinese Airline, CAAC, opens weekly route between Peking and Baghdad Sunday, the airline announced in the *People's Daily* Saturday. It is the first route opened by the Chinese airline to an Arab Middle East

country.

TEL AVIV, (AP) — An official of the Israeli embassy in Belgium accidentally shot and killed himself Friday while handling a firearm, a foreign ministry spokesman said. Joseph Halahmi, who worked in the commercial section of the embassy, was inside the embassy building when the accident occurred.

BAGHDAD, (AP) — Salah Bitar, former Syrian premier and co-founder of the Arab Socialist Baath Party who was assassinated in Paris earlier in the week, was buried in Baghdad Friday, the Gulf News Agency reported.

Egypt to receive additional 67 advanced tanks from U.S.

WASHINGTON, July 26 (AP) — The U.S. Defense Department announced Friday an unexpected sale of an additional 67 advanced M-60 tanks to Egypt. In a letter asking for congressional approval of the sale, the Pentagon said it wants to provide Egypt the additional 67 M-60-A-3 tanks with sophisticated gun-aiming equipment for about \$104 million instead of 130 M-48-A-5 tanks, which experts say are obsolete.

The new sale follows by four months an allotment of 244 M-60-A-3 tanks to replace the Egyptians' old Russian-supplied armor that is fast becoming unserviceable. That deal cost \$454.1 million and has been approved by the U.S. congress. The Pentagon said the additional 67 M-60-A-3s will come out of a "production slot which had been allocated to the U.S. army." The tank sale will delay delivery of tanks to the U.S. army for six to seven weeks "with consequent effect on (U.S.) army readiness," the Pentagon said.

At the time of the announced sale of 244 M-60-A-3s in March, officials said those tanks would also come out of new production and would cause delay of up to 18 months in the delivery of 64 such tanks to the U.S. army. The first M-60-A-3 tank is due for delivery in Egypt this December.

The M-60-A-3 represents a major advance over earlier models of the M-60 tank because it is equipped with a laser range-finder and electronic computer which gives its 105-millimeter gun greatly increased "first round hit" accuracy. Also built into the M-60-A-3 are night sights and other improved technology. The Pentagon has also agreed to sell Israel 200 A-60-A-3 tanks with delivery beginning in June 1981 and continuing for six months.

Israel has received most of its arms from the United States. For more than 20 years, Egypt relied on Russia for its military equipment, but the Soviets cut off supplies, including spare parts, when Moscow and Cairo fell into a dispute resulting from U.S. peace initiatives after the 1973 Arab-Israeli war.

The Pentagon assured the U.S. congress that the sale of the M-60-A-3 tanks will not tip the military balance in the Mideast region because the armored weapons will replace aging or unserviceable Soviet-supplied equipment in the Egyptian armed forces. If the U.S. congress does not disapprove the sale within 30 days, it is automatically concluded.

Earlier Tuesday the Defense Department announced a proposed sale to Jordan of 100 advanced tanks with night vision sights. Congress can block the sale, which is opposed by the Israeli government, within the next 30 days. But congressional aides predicted it would be approved.

The \$160 million sale of tanks was the first part of what was expected to be a total sale of

200 tanks administration officials said. They said King Hussein of Jordan was told during a visit in Washington last month that the president would propose the sale of 100 more tanks later if the first half of the deal were approved.

Bomb planted in car kills 2 Israelis south of Tel Aviv

DAMASCUS, July 26 (R) — Palestinian commandos said they seriously wounded an Israeli intelligence officer and a companion when a time bomb planted in their car went off.

The Palestine news agency, Wafa quoted a military spokesman as saying the blast took place in the town of Bat Yam, south of Tel

Aviv. The spokesman said Israeli police arrested a number of Palestinians and suspects, but the commando group which carried out the operation returned safely to base. Police in Tel Aviv had said that two Israelis were wounded when a bomb planted in a main street in Bat Yam exploded.

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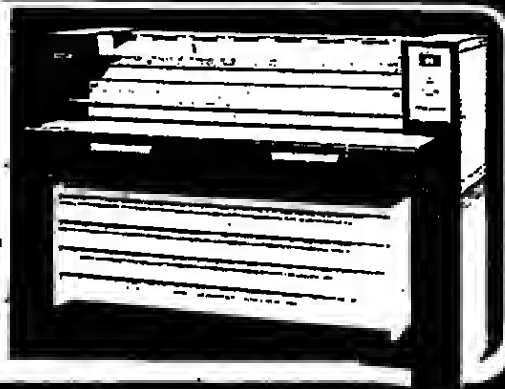
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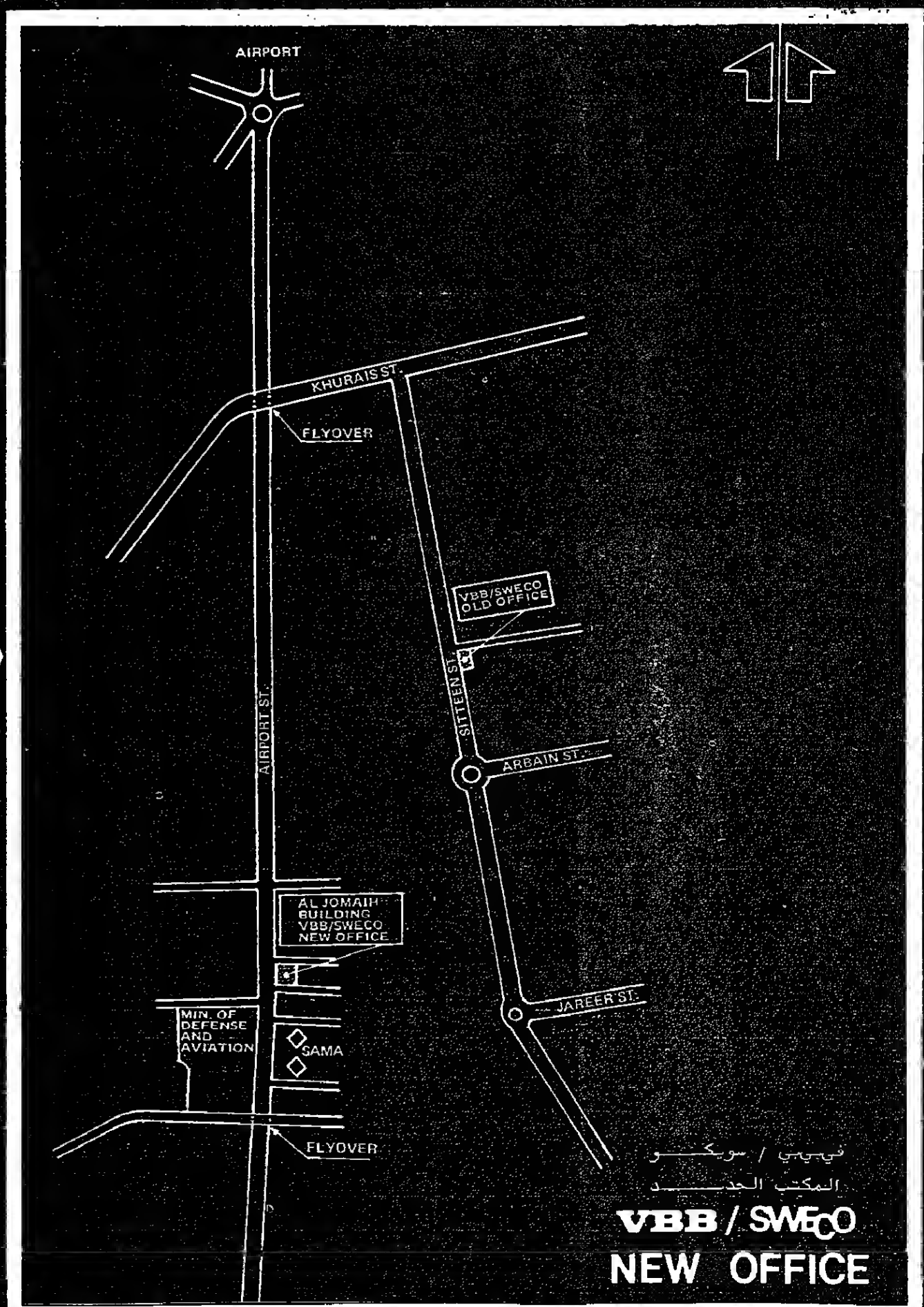
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W. Germany teens abducted in Italy

BARBERINA VAL D'ELSA, Italy, July 26 (R) — Italian police using helicopters and dogs searched Friday night for the kidnappers of three West German children snatched from their holiday home outside Florence.

"We are using every possible method to find these children. We have set up road blocks all round the region but have no sign of the getaway car," a local police spokesman said.

Suzanne Kronzucker, 15 daughter of a West German television commentator, her sister Sabina, 13, and cousin Martin Wachter, 15, were dragged screaming and struggling from the side of a swimming pool by three armed men wearing masks.

Police said the kidnappers broke into the cottage the Kronzuckers had rented for the summer, tied up the girls' parents and locked them in a cupboard. They drove away with the children, leaving a note by the poolside which read, "do not alert the police."

The kidnappers were described as between 25 and 30 years of age. They did not speak during the abduction, apparently to conceal

what language they spoke.

The Kronzuckers had rented the villa in the Tuscan hillside from Prince Filippo Corsini while the Wachters had rented another house nearby. Investigators said the abductors may have wanted to kidnap the prince's relatives.

West German Ambassador Hans Arnold held a special meeting with Interior Minister Virgini Prognoni and Foreign Minister Emilio Colombo to discuss the abduction.

Terrorist killed in car crash

KARLSRUHE, West Germany, July 26 (R) — Julian Plambeck, one of West Germany's most wanted urban guerrillas, was killed near Stuttgart Friday when her car collided with a truck, the federal Prosecutor's Office here announced.

Wolfgang Beer, who was with her, also died in the accident, it said. Beer received a 12 months suspended prison sentence in June last year for occupying the Frankfurt offices of a German news agency.

Police investigating the accident found a sub-machine gun and three pistols in the wrecked car, radio communication apparatus and many personal documents.

Investigators also found other materials "which pointed to a terrorist background," a spokesman for the prosecutor's office said a hunt had begun, including possible searches of apartments and homes. He would not say who or what the searchers were looking for.



PICASSO: Actor Paul Newman views "Woman in White" at the Picasso exhibit at New York's Museum of Modern Art. "Woman in White" is a 1923 oil on canvas painted in Paris by the Spanish born artist.

Procedure's safety uncertain

New operation corrects vision

LOS ANGELES, July 26 (LAT) — Suppose you are one of the millions of people who must wear glasses to correct nearsighted vision and your doctor tells you about a new operation that would enable you to throw away your glasses.

Would you be interested in this operation? For most people, the answer is an overwhelming yes. And as readers of medical news in papers and magazines are aware, each of these innovations is now a reality. Each is being evaluated for efficacy and safety, using a small group of patients.

While this procedure has the potential to benefit millions, it presents medical profession with an old problem: When should a new treatment — particularly one with the potential to affect many people — be made available for general application?

The procedure for correcting nearsightedness is called radial keratotomy. It consists of making 16 small incisions on the front surface of the cornea, the clear outer coating of the eye. This changes the curvature of the cornea in a way that reduces the amount of nearsightedness. Within a few weeks, in most cases, vision becomes normal enough to require no glasses or contact lenses, or less powerful lenses.

The operation, which is designed primarily to help those people with a low or moderate degree of nearsightedness, can be done on an

out-patient basis. According to reports about its use on a limited number of patients, it causes little discomfort.

But there are other examples of prematurely applied operations that did not end so happily. In the 1960s, thousands of ulcer patients had their stomachs frozen because research by a highly reputable surgical team indicated incorrectly that freezing could cure the disease.

The vast majority of the 250 radical keratomies done to date in the United States have been performed by a handful of eye surgeons participating in one or both of two collaborative studies now under way to evaluate the operation.

Dr. Ronald Smith of USC's Estelle Doheny Eye Foundation said, "I've had calls from patients who want the keratotomy right now. They don't care if they will be the first on whom it is tried and they are willing to pay any amount."

One of Smith's concerns is that doctors will do too many of the operations before enough studies have been done on monkeys to learn about the procedure's possible limitations.

According to Smith, the purpose of the monkey experiments is to resolve a number of technical problems. For example, he said, no one knows the optical depth or length for the incisions that are made in the cornea.

Floods sweep Asia; hundreds dead

NEW DELHI, July 26 (AFP) — Hundreds of persons have been killed and hundreds of thousands left homeless by widespread flooding in China, Korea, India and Bangladesh during the past several days. Millions of dollars worth of crop have been destroyed by the rains.

India's northern and northwestern states have been under almost steady rainfall since the monsoon season began June 1. More than 150 people have died in Uttar Pradesh state, where the overflowing Ganges and Gomti rivers have destroyed 82,000 homes. Damage to homes, crops, bridges and roads in Uttar Pradesh and Haryana states has been estimated so far at \$55 million.

In Bangladesh, about 60,000 people have been affected by the waters of the Jamuna, which was flowing eight inches (20 centimeters) above the danger level, and the Padma

rivers. Reports said 20,000 people had left their submerged homes to take shelter on higher ground.

A flash flood that hit central South Korea Friday killed 173 people and injured more than 100. A small town south of Seoul received 30 centimeters (12 inches) of rain in four hours, and was submerged completely for a whole day.

In China, floods hit several northern, northwestern and central provinces, where early reports listed 53 dead. The \$People's Daily newspaper said Saturday that more than 1.7 million people in the provinces have been affected by the water.

While the Yangtze river, swollen by torrential rains continues its fight against dikes and other barriers, crops in other Chinese provinces are dying from a drought.

Drug bureau warns against DMSO

WASHINGTON, July 26 (R) — The U.S. Food and Drug Administration (FDA) expressed concern Friday about widespread use of the drug DMSO to treat arthritis after television reports quoted sufferers as saying it produced miraculous cures.

The FDA said it approved use of DMSO (dimethyl sulfoxide) only for treatment of chronic interstitial cystitis, a painful bladder condition. "People are taking a risk whenever they use a substance of unknown quality and effect on the basis of a TV show,"

FDA Commissioner Jere Goyan said in a statement.

The FDA said there was no generally accepted evidence the drug was safe or effective in treating arthritis or bursitis. A by-product of the paper-making industry, DMSO was easily available because it was also used as an industrial solvent and as a drug to treat animals, the agency said. Some people, it added, were directly injecting it into their bodies as well as swallowing it and applying it to their skin.

Gunships buzz in the sunlight

Mood in Afghan countryside

By Martin Woolcott

KABUL, July 25 (G) — The Russian gunships flashed past us on the road to Gazni, contour-flying so low that they left a momentary wake in the summer wheat beneath them. Then the pair cut away from the road, and, some minutes later, when they were lost to sight, we heard faint sounds from the hills to the east, like the intermittent buzz of an electric drill. A rebel haven was getting the same treatment already meted out to selected spots along the road, where burst roofs and flame blackened walls testified to earlier attacks.

The Russian ships do not have the sleek lines of their American counterparts, and the forward gun looks as if it had been bolted on with an Erelton set. But they are just as frightening, and the woodpecker whicker of their big blades spreads the same pool of menace over an area.

Yet the land-between Kabul and Gazni, some 120 miles south of the capital, in spite of some destroyed buildings, the gunships, and the occasional armored car, does not yet have the look of a country at war. It is a khaki landscape, framed by big beech bald hills, and refreshed by stretches of rich olive green in the valley bottoms.

Spashes of blue sage flower catch the eye, but what dominates the fore view are the huge and substantial farmhouses. Built of mud-brick, they look like massive versions of children's sandcastles, some even complete with a tower at each corner and crenellations.

Hardly a window breaks their walls, sometimes 50 feet high. The reasons for this military architecture perhaps relate to the smaller, poorer villages one can see on the far-off flanks of the mountains, villages with less water, less land and sheep and goats a lot less.

Hebrides rebels keep up the fight

NEW HEBRIDES, July 26 (AFP) — The arrival of 200 French paratroopers and British marines on Espiritu Santo has not settled the crisis caused by the rebellion of this island on May 28.

Calm reigns here, but the French-speaking moderates have not budged from their stand, although the Pacific archipelago is scheduled to receive its independence from France and Britain Wednesday.

The Espiritu Santo moderates still refuse to recognize the authority of the Port Vila government on the island of Efate, which is headed by Presbyterian minister Walter Lini. They are insisting upon a large measure of autonomy for their island.

They made their position clear again Friday by means of a demonstration by about 3,000 people. The protest was for the government of Zemarana — the popular name for Espiritu Santo — that was set up by the secessionists. Observers here said that it was the largest demonstration since the beginning of the crisis.

Police arrest dancers

BANGKOK, July 26 (AFP) — Two one-legged men were briefly held by police here this week after a brawl in a discotheque where they had been dancing with each other. Police let the handicapped pair go with a warning to refrain from future dancing in public on grounds that they maneuvered their wooden legs badly, hampering other dancers.

tubby and well fed than those which graze the roadside.

A flood of false and exaggerated reports have given a twisted impression of what both the rebels and Russians have been doing. The rebels do not "mass" for attacks on cities including Kabul, nor do they fight it out with Russian or Afghan troops. They assassinate party officials. They make small attacks on Afghan camps and government installations. And, above all, in a country where highway robbery is a national tradition and the ambush the highest form of warfare, they interdict the roads, shooting up individual vehicles and convoys.

The element of banditry is not lacking in certain areas. One Englishman, recently driving the road from Herat to Kandahar, with a truckload of whisky destined for Pakistan, was shot at and beaten by rebels who stole everything he had except the whisky, (which they took no time to examine). The Russians who picked him up and bandaged his wounds were apologetic and admitted that such incidents were frequent, but usually ended in the death of the driver.

Officer blamed for tanker wreck

ROTTERDAM, July 26 (AFP) — The Liberian-registered 341,000-ton oil super-tanker *Energy Concentration* broke into two here on Tuesday because an officer failed to carry out an order from the captain to redistribute the load, according to evidence obtained by Rotterdam police.

Police said the captain, who is from Hong Kong, ordered the first officer, from Taiwan, to move some oil to even out the load after the ship discharged some oil at Le Havre in northern France. But the Taiwanese officer admitted he forgot to carry out the order and the captain failed to check that it was carried out, police said. The result was that the tanker was heavily loaded fore and aft as compared with midships.

It was seen by witnesses entering Rotterdam, bow-shaped, police said. During unloading, the strain proved too much and the vessel cracked down the middle. Since the ship did not have a computer for working out tank loads, they had to calculate them "with a manual device" which police took to mean a pocket calculator.

Friday another tanker, the 119,500-ton *Jag Laxmi*, tied up alongside the broken vessel and planned to take on the 110,000 tons still on board. This oil will then be taken to Britain. The operation will take several days, after which attempts will be made to refloat the *Energy Concentration*, which is grounded.

Carter nephew busted for drunk driving

HOUSTON, Texas, July 26 (AFP) — Robert Carter Stapleton, a nephew of U.S. President Jimmy Carter, was arrested here Friday for drunk driving and possession of marijuana.

Stapleton, 26 years old, passed a stop sign without halting his rented car, police said. He said he knew nothing about the presence of marijuana in the glove compartment.

Stapleton's mother, Ruth, President Carter's sister — said that her son never drinks. Stapleton was released after putting up \$800 for bail. His case will be heard in court on August 1.

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Scot nips Cuba's Leonard

Wells sprints to 100m gold

MOSCOW, July 26 (AP) — Flying Scotsman Alan Wells did what no Briton has done for 56 years when he won the Olympic 100 meters gold here Friday.

The last time Britain won the world's premier sprint medal was in Paris back in 1924 when Harold McAbrahams won in a world record time on 10.6 seconds.

The Edinburgh-born and based engineer ran only 0.35 seconds faster (10.25) but that was enough to crown him king of the sprints. It could not have been closer, however, with Wells breaking the tape along with Cuban Silvio Leonard.

First impressions were that the speedy Cuban wearing a tee-shirt under his Olympic vest to keep out the cold had edged home and he was submerged by photographers. But, the photo-finish proved that 28-year-old Wells, running in lane eight to Leonard's lane one, had been the faster, both being credited with 10.25 secs.

It was an astonishing outcome to the Wells story. A powerful athlete, he started off as a triple-jumper and only seriously started sprinting four years ago.

Sebastian Coe and Steve Ovett, British archrivals for the Olympic 800-meter title, won their semifinal heats Friday, setting up a showdown for the gold medal. The Coe-Ovett confrontation will take place Saturday night and will be the first meeting between the outstanding middle distance runners since the 1978 European championships. In that race, Ovett finished second and Coe was

third behind East Germany's Olaf Beyer.

Controversy hit the triple jump competition as Russian Viktor Saneyev failed to equal American discus thrower Al Oerter's all-time Olympic track and field record of four straight gold medals.

Saneyev, a 23-year-old Australian who led the qualifying with a 17.02 jump Thursday, claimed he had been robbed of a certain victory by the Russian take-off board judge. Jaak Uudmae, a 25-year-old Estonian from Tallinn, won the gold medal with a 17.35 meter effort for the Soviet Union.

Saneyev, winner of three successive Olympic triple jump titles, hit 17.24 meters in his final jump and thus was only 12 centimeters short of tying Oerter's streak. Oerter won the discus competitions in Melbourne 1956, Rome 1960, Tokyo 1964 and Mexico City 1968. Saneyev started his streak in the triple jump 1968 and also won in Munich 1972 and Montreal 1976.

Campbell got off to what seemed to be a near perfect jump in the fourth round of the competition, but the Russian judge put out the red flag meaning the Australian had scraped the take-off board with his right foot. The crowd near the triple jump pit didn't agree, jeering when the red flag came out after Campbell's jump. It was believed to be a 17.50-plus effort, which eventually would have given the Aussie a clear victory.

"It was robbed of a victory," Campbell said outside the stadium afterward. "The British triple jump coach (Gordon Adams) told me

he had everything on tape and it clearly showed I did not scrape the take-off board. He said it was a perfect jump."

"We've got the evidence on film, but when can you do it?" he said. It was not immediately known if the Australian team would lodge an official protest. But the prize awarding ceremony was held half an hour after the competition.

The day's third gold was a major upset, the unheralded Maria Colon of Cuba winning Olympic gold medal in the women's javelin. In so doing she beat reigning champion, the great Ruth Fuchs of East Germany who could only finish eighth and last and world record holder Tatyana Biryulina of the Soviet Union who finished sixth.

For the second consecutive day at 103,000 seat Lenin Stadium, the huge crowd was on hand for the evening session of the track and field program. But in contrast to Thursday, when sun drenched the cavernous arena, the weather was cool and crisp, with a strong wind and no humidity.

John Akii-Busa of Uganda, the 1972 Olympic champion in the 400-meter intermediate hurdles and a sentimental favorite, failed to qualify for Saturday's final in his event. Akii-Busa, 30, who escaped from violence-torn Uganda in March 1979 and now is living in West Germany, started well in his semifinal heat, but he slowed considerably with about 150 meters remaining, then clipped the hurdle and eventually finished seventh in 51.10 seconds.

Comaneci, Kim win in gymnastics

MOSCOW, July 26 (AP) — Nadia Comaneci finally won two gold medals in the Moscow Olympics Friday night after her defeat in the all-around competition Thursday started a bitter controversy among gymnastics officials and fans from three Communist countries.



(AP Photo)

GOLDEN BOY: Aleksandr Dityatin of the Soviet Union picked up six medals in men's gymnastics Friday, pushing to eight his total for the Moscow games. That mark eclipses the former record of seven set by American swimmer Mark Spitz at Munich in 1972. While Spitz' haul was all gold, Dityatin had to settle for four gold, three silvers and a bronze.

The 18-year-old Romanian star won a gold medal on the balance beam after another, shorter, discussion among the judges. She tied with Nellie Kim of the Soviet Union for the gold in the floor exercises.

A scoring change gave Comaneci the tie for the gold with Kim. She first was listed behind Kim due to a technical problem in the scoring machine. The gymnasts competed Thursday on all four apparatuses for an all-around point total and the most coveted prize in the sport. Friday night, gold medals were given after competition on each apparatus.

Soviet male gymnast Aleksandr Dityatin won his eighth medal Friday, the most won by one person in an Olympics since the modern games began in 1896. He had four golds, three silvers and a bronze.

It was Comaneci's narrow loss to Soviet Yelena Davydova in the all-around competition Thursday night that caused one of the biggest squabbles in Olympic gymnastics history. Her coach, Bela Karolyi, charged the East German chairman of the gymnastics federation with ordering Comaneci's marks to be lowered in her final exercise on the balance beam, costing her the competition.

Karolyi said it was "an arrangement" to insure a Soviet winner. The Communist Party newspaper in Romania, *Scinteia*, backed him, headlining "they stole her gold medal. Nadia is still the best." Ellen Berger, the East German who was the target of Karolyi's attack, said she didn't do it.

In an interview Friday, Berger said the Romanian head judge, Maria Simionescu, demanded that Comaneci's mark of 9.85 on the balance beam be upgraded, causing a 30 minute row that delayed naming of a winner and awarding of medals. It was a bizarre sight, with officials arguing, the Romanian coach screaming and waving his arms, gymnasts either pacing nervously on the sidelines or trying to smile, and the crowd roaring for a decision.

In other competition:

Men's Basketball
Yugoslavia 102, Italy 81
Soviet Union 119, Spain 102
Brazil 94, Cuba 93
Consolation Round:
Poland 113, India 64
Sweden 70, Senegal 64

Women's Basketball

Yugoslavia 69, Italy 57

Soccer

Finland 3, Costa Rica 0

Yugoslavia 1, Iraq 0

Czechoslovakia 0, Kuwait 0

Colombia 1, Nigeria 0

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Arab News

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TEL: 34982-28708-30213 CABLE: MARADNEWS
TELEX: 401570 ARANWS SJ JEDDAH

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FUTURE EXPLOSION

As the wave of strikes and demonstrations in the West Bank and Gaza continues, the Israelis escalate their repression and press on remorselessly with their plans to incorporate Arab Jerusalem as "Israel's eternal capital." The Knesset has already finished a first reading of a bill designed to add a veneer of "legality" on the blatant theft of one of the Arab and Islamic worlds' most beloved and venerated cities; and Prime Minister Begin prepares to move his offices into it.

Strikes and demonstrations are the only means the Palestinians in the occupied territories have to meet the threat. And they have been employing them daily despite the campaign of terror, officially encouraged which the Israelis have been waging against them. But, even more painful to the Palestinians than Israeli terror, they have to put up with the state of impotence to which they see the rest of the Arab world has been reduced in the face of Israel's expansionism and contempt. Yet they are persisting, and will persist, despite Israeli bomb and bullet, despite imprisonment and exile, and despite discouragement as they look to their brother Arabs for succor.

Impotence against Israel's designs extends beyond those Arabs who chose to negotiate with the Israelis, when, in fact, there was nothing to talk about given that Begin made his position all too clear from his first day in office. The Arab countries objecting to what they saw as a capitulationist "peace," are equally paralysed. Beyond them, the international community looks on apprehensively while Israel digs itself in Jerusalem and the occupied territories. It realises it can do nothing while Israel lays the ground for a future explosion whose consequences for the world economy and world peace are incalculable.

The Israelis, secure in the knowledge that no one will stop them, proceed unhindered, especially given the additional cover provided by the so-called "peace process" with Egypt. And it seems, especially in regard to the latter, that Begin's main lesson from it is that intransigence really pays. For the process has been nothing but a series of climb downs on the part of President Sadat, with nothing forthcoming from Begin, who knows that Sadat cannot finally give up hope in the "process" as long as Israel retains part of Sinai as a bargaining counter — as it intends to do at least until 1982.

Meanwhile the United States, the only power with direct leverage on Israel, is at a loss. What it requires is a line which reconciles its total commitment to Israel with the appearance of "neutrality" it wishes to cultivate. This causes it a great deal of embarrassment whenever Israel raises the ante, as it is doing now over Jerusalem. For on the one hand, it cannot be seen to support the Israelis, and on the other it cannot seriously oppose them. The matter is more complicated now that the presidential races are on, with the electoral restraints this places on the candidates, especially the incumbent.

Saudi Arabian Press Review

Al-Jazirah and *Al-Bilad* Saturday led with stories on the U.N. General Assembly's debate on Palestine, highlighting a new draft resolution by the non-aligned group. In a lead story, *Al-Madina* carried a statement by Arab League Secretary General Chaudhury Kibi in which he said the Arabs appreciate Europe's efforts to find a just solution to the Palestine problem. *Al-Yom* used the Kuwaiti plane hijack incident as its lead story, while *Al-Riyadh* reported in its lead that Riyadh Governor Prince Salman will lay the foundation-stone of the Islamic Welfare Society's hospital in Riyadh Saturday. *Okaz* reported violent demonstrations in occupied Jerusalem in protest against the Israeli decision to annex East Jerusalem to Israel.

Newspaper editorials strongly deplored the Israeli parliament's decision to make Jerusalem its capital, and urged the international society to take deterrent measures against Israel to end its challenge to world peace and stability. The papers believed that the Israeli decision has raised tensions in the region with the chance that war can flare up any moment, as there are no hopes left for peace in the region.

In an editorial *Al-Riyadh* noted that even before the conclusion of the U.N. emergency session Israel surprised everyone by its declaration on the position of Jerusalem. The paper said this development has placed tremendous responsibilities on the world body on which peace-loving nations have pinned their hopes for rescuing the world from the ugliest

kind of terrorism modern history has ever known. It reaffirmed that the Israeli decision has not left any room for other dimensions for the city's future, or even peace in the Middle East. Under the present circumstances, the possibility of peace has become quite thin, and the U.N. efforts would remain only ink on paper unless Washington protests against the Israeli decision and uses its force to put an end to Israeli domination, the paper concluded.

Al-Madina described the Israeli decision as an open challenge to the Islamic world. It called upon the international society to adopt stringent measures to check the Israeli attitude which is threatening peace and stability in the world. The paper reiterated that the Arabs have proved their willingness for peace and the Muslims of the world have exercised self-control over Jerusalem. They would not sit silent over the Jewish resolve to rend the holy city apart from the Islamic heritage, it added.

Discussing the U.N. debate on Palestine, *Al-Bilad* urged the world body to confront the worsening situation in occupied Palestine. It said world public opinion would support any Arab or Islamic move to restore peace in Jerusalem after its return to Arab sovereignty. The paper added that the stance of the major powers has been mostly in favor of Israel, while world Zionism and Communism have been continuously working to create disturbances in the Arab and Islamic world in fulfillment of their own objectives.

Al-Jazirah expressed its fears over a turnaround in

the stance of the non-aligned bloc at the U.N. and said it was a serious matter that this bloc felt content with a call to Israel to implement the U.N. resolutions. The paper added that the nature of the current debate necessitates the adoption of firm resolutions to protect world peace and to restore stability in the Middle East. It further suggested compulsory sanctions, in accordance with the U.N. Charter, against Israel. The paper recalled the slogan "United for Peace", which was adopted by the U.N. General Assembly in its session of 1950, and said this slogan authorizes the General Assembly to exercise the powers of the Security Council. The paper noted that the current emergency session is being held under the same slogan, adding that the application of this slogan would give the U.N. resolutions more strength than a fresh call to Israel to respect the will of the international society which Israel has always ignored.

Al-Nadwa criticized the attitude of the European Economic Community at the U.N. General Assembly's current session. It said the EEC's objection to the draft resolution of the non-aligned group reveals that Europe is still far from adopting free resolution. The paper asked why Europe chose to forget all but resolution 242 of the world body, and said that Europe's attitude would not help the situation nor would it provide any moral support for peace in the Middle East. Europe is following the footsteps of the U.S. and is working under the influence of the Zionists — a matter that would never allow Euro-Arab cooperation to flourish, the paper noted.

A slow fix is better

By Nicholas Von Hoffman

The incident was duly reported but it didn't get the attention it should have when it got out the other day that U.S. Steel Corporation had bought Japanese steel to fulfill a customer order.

When this company, the highest grouser and complainer about cheap, competitive imports, found itself in the role of a buyer, it acted like any other buyer: it went where the price was lowest. Buy American when U.S. Steel is selling; buy foreign when U.S. Steel is buying.

This craziness is in harmony with the general confusion about what to do with an aging industrial plant and foreign imports. Except for the right to work crowd, whose anti-union ideas on the subject are as obsolete as the mills American steel workers labor in, most everyone else has given up on blaming unions for our poor showing. Our workers are just as good as foreign ones if they're given the tools and the management.

For example, the quality of the cars being manufactured in Volkswagen's Pennsylvania plant is as good as the cars rolling off assembly lines in Germany. In the last few years General Motors has found American workers will do the job for you if management helps by intelligently conducting its business. There's nothing wrong with American workers and American unions have also shown that they are willing, even anxious, to work cooperatively with the management of grievously ailing firms.

So Republicans, even those with the most helplessly conservative reputations, are talking about helping industry in other ways. The help businessmen would like best is the fast tax write-off, as they

like to call it. That means if a company goes out and buys a \$111 million computerized, robotized widget stamper, the entire cost of the machine can be deducted as a business expense, now this year, even though the machine will be paid for over a number of years.

The history of tax incentives as a gimmick to get businessmen to modernize shows ambiguous results at best. Fast tax write-offs or special tax credits for modern equipment only work if you have executives who're planning for the company's future in the years ahead.

Part of the problem with the steel industry is that it lacks those kinds of men. Although the American steel industry developed much of the high-production, low-cost technology used by others abroad, companies here were laggards in putting it into their own plants. All through the '50s and '60s they acted like greedy guts and instead of reinvesting some of the profits back in the business they took the money and skedaddled.

The other route to go is high tariffs, imports quotas and the like. Why should U.S. Steel bother to modernize if we're so gracious as to exclude the modernized competition from the market? All these proposals to help industry never come with a matching commitment insuring the new machines will ever be bought, the new plants ever built.

The leading candidates have a cliché about how there is no such thing as a "quick fix" in regard to subjects like this but it's quick fixes and rather poorly thought out ones they recommend. Let them take their own advice. Better a slow fix that works than fast flim, or we're gonna be in an even bigger fix later on. (KFS)

Obote opposes observer team

By NICK WORRALL

KAMPALA — Controversy is growing in Uganda over the question of observers for the elections to be held for Parliament and the presidency in September.

The chairman of the ruling Military Commission, Paulo Muwanga, has asked Britain to help obtain a civilian Commonwealth observer team, but the idea is opposed by members of ex-President Milton Obote's Uganda People's Congress.

The party has voted in favor of a resolution that condemns the idea of foreign observers as an "encroachment" on Uganda's sovereignty and a serious impingement on the integrity and impartiality of its leaders.

Dr. Obote, the UPC's candidate to regain the leadership snatched by Idi Amin in 1971, had already stated his opposition to foreign observation of the first Ugandan elections since independence in 1962.

Muwanga, a member of Obote's party, is clearly acting independently as "Head of State" in agreeing to demands from the country's three rival political parties for foreign observers.

Anti-Obote groups believe the elections cannot be either free or fair without such precautions. Sources in the Democratic, Conservative and Uganda Patriotic Movement parties have suggested that the UPC, which appears to have support from the military, will "stop at nothing to win the elections."

Muwanga has also asked Britain to send an election expert and to help train election officials. Foreign Minister Otieno Allimadi has been sent to London to inquire about electoral equipment, most of which will have to be imported because of the breakdown of the Ugandan economy.

British aid to Uganda was unofficially suspended after the Military Commission's takeover in May from President Godfrey Binaisa, who is still under house arrest and close Tanzanian guard.

Washington 'weather'

By John P. Roche

WASHINGTON — Never in my memory has the psychological humidity in Washington been so oppressive. President Eisenhower was treated with genial affection and some condescension by the satchmen: JFK was the gallant young defender of freedom. LBJ was admired, feared and despised: Nixon was hated and Ford ignored. But Jimmy Carter is in a class by himself: he is treated as a joke.

All around this company town desperate Democrats are concocting wild scenarios to deprive Carter the nomination. Not in favor of Kennedy — who has suddenly become a non-person — but to substitute Fritz Mondale, or Scoop Jackson, or Pat Moynihan for Carter at the head of the ticket. I spent some time with one coven who seemed to think Carter, good Christian that he is, would altruistically release his delegates.

These are intelligent people not dummies, but they still seemed shocked when I argued Carter would declare martial law in New York under the statute of Feb. 28, 1795, and send in the Marines under the Civil Rights Act of 1871, before permitting any raids on his delegates. Other conspirators are talking of defections in the Electoral College — which would doubtless lead to treason indictments.

In short, I do not consider the president a joke; to me he is a formidable, cunning and even dangerous man. Not dangerous in the sense of being a potential coup-monger: a Carter commando that set out to seize the Capitol would undoubtedly capture the adjoining Botanical Garden. But dangerous in the sense that getting re-elected is his only priority.

In practice this means he has achieved, via Rafshoon's necromancy, the astonishing talent of putting both ears to the ground. It is probably an exaggeration that he has hourly polls, but most of his yo-yoing over the past seven months must be attributed to his adjusting his course to whatever wind Rafshoon discerns. Three months ago, for example, inflation was the big issue and orders poured out to cut credit, raise interest rates, and pray for a nice recession.

Now we have a recession and the weather vane has swivelled: unemployment has become a much more serious issue with almost 8 per cent of the workforce on the bricks. There is a curious reason why a jump from roughly 6 per cent to 8, which seems trivial in a workforce of over a hundred million, has hit so strongly. The 6 per cent figure was largely the pool of unemployed young people; the increment is composed of heads of households, auto and steel workers with vigorous unions. Also, unlike the unemployed young, they and their families vote.

Suddenly that beautifully balanced budget we were all supposed to admire — the handiwork of Calvin Coolidge Muskie and Herbert Hoover Giamo of the Congressional Budget Committee — is a NO-NO. In fact, from the outset it was a fiction with more holes than a collander but it was wonderful to behold if you didn't look too closely. Now, if that body were still in existence, this budget would be referred to the Committee on Un-American Activities.

In the area of foreign relations, which is the big stakes game, Carter's advisers have told him that to beat Reagan he must come on as the blessed peacemaker fighting Goldwaterism. This would bring home the McGovernites who have been disturbed by Jimmy's recent perception of the nature of totalitarianism. The apotheosis would be a summit with Brezhnev on Nov. 1, but that is a bit much even for the peanut paladins.

But, with the aid of his new-found buddy Helmut Schmidt, a U-turn might be managed that would work to the advantage of the German chancellor, facing election in October and the putative leader of the Free World: negotiations with Moscow on Euro-nuclear systems. The Soviets, who know a free lunch when they see one, have leapt to cooperate: Schmidt was informed by Brezhnev in Moscow that nothing would delight the Russians more than new negotiations on nuclear weapons in Europe. Carter thinks Lennie is "sincere."

This is a patent hoax: it came with about five footnotes nobody has yet decrypted, and significantly it doesn't involve a freeze on current Euro-nuclear assets, where they are increasing exponentially (3, 9, 27), as we improve arithmetically (3, 6, 9). But Carter the peacemaker could buy it instantly — he likes the White House. — (KFS)



Barbers thrive during Ramadan!

Al-Yom

Comparison shopping urged

Special airline offers make summer flying tempting

By Raana Siddiqi

JEDDAH — The exodus for cooler climates has been underway since schools closed for the long summer vacation some weeks ago. Many vacationers have cleverly combined the week-long Eid al Fitr holiday with their annual leave and will be out of Jeddah during the months of August and September when the heat is most intense and humidity at its peak. Others are combining their leave with the mid-October Hajj break to avoid Jeddah crowds resulting from the influx of pilgrims.

While there are instances of people driving out, it is the airlines offices which are working overtime despatching plane loads of tourists to all destinations. Flights out of Jeddah to several points are booked solid for weeks.

In spite of the constant complaints of ever increasing air fares one wonders about the reasons behind this boom in air travel. The most obvious reason is the speed and time saving advantage of travel by air, but another incentive is the reduced and attractive fares being offered in certain sectors.

An Arab News survey of several airlines, including those with full IATA membership, found few special fares in the Middle East region and Europe from Jeddah, but a mind-boggling array of money saving holiday packages to the Far East. For the North America bound passenger, there are extremely tempting fares on the Atlantic crossing from several European points, not to mention under the table deals and Sir Freddie Laker's cheap fares.

Saudia heads the list of the many airlines operating in and out of Jeddah, offering regular and excursion fares to most major cities in the world. The airline recently introduced a Dhahran to New York non-stop flight, another to Nairobi and will soon be flying to another attractive point — Bangkok. Saudia is one of the fastest growing airlines showing

continuing increases in routes and aircraft fleet. It has been praised for its in flight service. Passengers traveling with children have had especially pleasant experiences while on board. Saudia is popular with the diplomatic

corps as well, due to its 50 per cent fare discounts to diplomats and their immediate families in both economy and first class sections.

Airline executives in Jeddah have some

advice to travelers trying to save money on air fare. Yves Bouillet, regional representative for Saudi Arabia and Yemen of Air France called it "a very complicated business." He feels Air France a member of IATA, should follow the approved fares, making it difficult to compete with some other airlines free to lower their tariffs in a highly competitive industry.

Bouillet feels however, that the advantages of IATA membership in terms of airport facilities and international agreements outweigh the "cheaper and still cheaper" deals being offered to passengers by non-IATA member airlines. An added advantage, Bouillet says, is that a ticket issued by an IATA member airline can be used on any other similar airline.

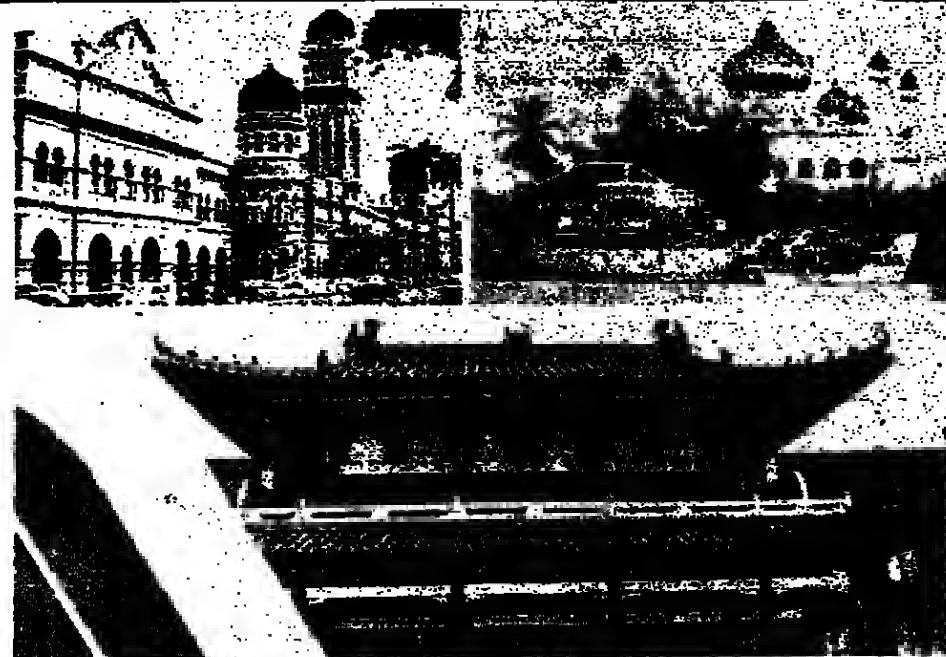
According to Bouillet, Air France offers a 10-30 day excursion ticket where one can save as much as 45 per cent of the economy fare. A special package is also available from Dhahran to Manila on an Air France jumbo jet with a "minimum and maximum stay" string attached to it.

"We cannot sell here the goodies offered in Europe," said Bouillet, "but we take our passengers to Europe in maximum comfort, and while in France they can shop around and choose from a variety of vacation, promotional and standby fares."

Among the many packages offered from France by Air France, the "business class" and the "vacation" deals stand out. The business class service was launched in 1975 and offers on a promotional fare special service both on the ground and in flight. The passenger gets special check-in and boarding, special seat assignment and some facilities and gifts on board normally offered only in first class. The vacation deal from Paris to eight major destinations aboard a Boeing 747 or Airbus is offered only by Air France, Bouillet said.

Air France, organized in 1933, is today the third largest airline in the world. It has a fleet of 90 planes including four supersonic Concorde. Air France flies to 160 cities including 13 cities in the Middle East. Bouillet said the airline gives considerable attention to its Mid-East operation in view of France's special relations with the Arab world. "We are one of the main carriers of the Hajjis to the Kingdom," he added.

David Lowe, British Airways Manager for Saudi Arabia and Yemen, seems to agree that the advantages of IATA member airlines outstrip the cheap air fare factor. Lowe said British Airways offers no special fares from the Kingdom, but he mentioned some very attractive offers available from Bahrain. One such offer is a "family fare" aboard Concorde flights on the Bahrain-London-Washington run and back. Under this program, the head of the family pays full fare, the wife and children pay 50 per cent, and children under 12 pay only 25 per cent. "This is useful for daddy who is off on business and



ASIAN TRAVEL: Some of the best package tours take travelers to various countries in Asia. From Saudi Arabia, the tourist can take his choice of several airline "packages" and an even greater number of destinations.

yet his family has a holiday with him costing less," Lowe said.

Another attraction on British Airways Flights from Bahrain is a July to September special fare to London where a passenger on a first class ticket can return to Bahrain on the Concorde without an extra surcharge.

Going east across the Atlantic, British Airways has introduced a club class with improved service and seating arrangements. Lowe concedes that "it is in Europe that we head the field in fares. There are hundreds of special offers to choose from. Across the Atlantic we match everyone in restricted, seasonal, and standby fares."

One of the busiest airlines operating through Jeddah is Pakistan International Airlines, which carries a great number of passengers, particularly during the Hajj season. According to Khurshid Anwar, PIA's general manager, the airline offers a year long excursion fare to Pakistan. This 14 to 120 day fare is available both on first and economy class.

"Normally, the excursion fares do not apply on first class, but this special excursion fare was planned to facilitate Pakistanis going on long holiday home from the Kingdom," Anwar said. He also spoke of package tours offered to the Far East, saying: "We are the only major airline to cover all important destinations in the Far East. There are 19 flights from the Kingdom to these destinations. There are also special group tours to cover squash and other sports events in Pakistan."

PIA also offers 40 per cent discount to officials posted in Pakistan embassies abroad and their families proceeding home at their own expense.

One airline offering attractive package is the Hong Kong-based Cathay Pacific, which started operations after World War II as the brain child of two pilots, an American and an

Australian. Beginning with rickety DC-3s, Cathay Pacific has an extensive network today, particularly in the Orient.

Intiaz Ahmed, district sales manager of Cathay Pacific based in Jeddah, said his airline offers some of the cheapest package tours of the Orient, including first class hotel accommodations, transportation, sightseeing and many other trimmings in their "discovery tours." These tours are of varied duration and cover 10 different countries including Japan.

Cathay Pacific, in association with West Orient Airways, also offers special fares for Westward bound and round-the-world travelers, with firm bookings and combination of stopovers. The airline has recently been granted permission by British aviation authorities to operate on the London-Bahrain-Hong Kong route.

Ahmed, who has been with Cathay Pacific for two years, says Cathay has been fighting for the London route from Bahrain for long while. He said he is happy that the new route will facilitate travel by Arab businessmen who can now complete their business in London and Hong Kong in "one trip." Cathay Pacific, which does not operate through Jeddah, carries its passenger load from the Kingdom via Bahrain.

Mention should also be made of the Malaysian Airlines "Super East Asia tours" which seem to be what the name implies. These package deals to six different destinations in the Far East offer highly attractive fares and facilities for as little as 3,000 Saudi riyals. The tours include trip through an eight-day Malaysia and Singapore.

Besides the Airlines mentioned above, there are others offering comparable fares and package tours worth scouting before deciding on a holiday.

WORLD TOUR: Whether it's Pakistan (top) or America (lower photo), some airline is flying there with a tour that might save you money. A close look at prices can give the careful shopper a significant savings. It may take a few telephone calls, but comparison shopping can help your money go further.

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Kingdom's exports-\$25b

U.S. sales to M.E. to top \$10b

WASHINGTON, July 26 (AP) — U.S. exports to the Middle East and North Africa region should surpass \$10 billion this year, the U.S. Department of Commerce said Friday in its semi-annual report on world trade outlook.

The report said the best U.S. performance in the area was in North Africa, where the U.S. substantially increased sales to Algeria, Libya, Morocco, Tunisia and Egypt during

the first four months of 1980.

Referring to Saudi Arabia, the Department said total U.S. imports from Saudi Arabia, estimated at \$25 billion in 1979, are increasing at a rate of 25 per cent annually. U.S. exports to Saudi Arabia in 1979 were nearly \$5 billion and may increase by 20 per cent this year.

"With a market share of slightly higher

than 20 per cent, the United States remains Saudi Arabia's leading supplier of goods and services," the report said.

U.S. exports to Egypt from January through May this year amounted to \$859 million and are likely to surpass the annual record level of \$1.4 billion set in 1979. Agricultural items account for more than half the total U.S. exports to Egypt. The report said Egypt continues to progress in its economic reform program.

U.S. exports to Israel increased slightly in the first four months of 1980 to \$596 million from \$570 million in the same period last year, it said.

The Department said that with about 20 per cent of the Israeli market, the U.S. is expected to remain Israel's principal supplier. Despite Israel's economic difficulties, it is an attractive market for American business, it said. The Department sees excellent prospects for U.S. sales to the Far East and south Asia, with U.S. exports rising faster than imports in the first five months of this year.

U.S. exports grew 25 per cent over those in the same period last year, significantly faster than imports. The exports to poor countries grew faster than those to Japan and Australia. But the U.S. trade deficit with the region still amounted to \$6.1 billion for the period, with U.S. imports at \$25.7 billion.

Japan dominates U.S. trade with the region, though U.S. exports there are expected to account for only 17.3 per cent of what the U.S. sells to the country this year, compared with 18.4 per cent in 1979. U.S. exports to Japan are projected at \$20.2 billion for the year. The U.S. deficit for the January-May period was \$4.1 billion, compared with \$3.7 billion in 1979.

The survey reports that Japanese still contend that U.S. companies do not make a genuine effort to penetrate the market, while American traders assert that Japan blocks their access with an elaborate system of restrictive measures.

Taiwan continues to be one of the most promising markets in Asia for U.S. goods and services, the survey says. From January through April 1980, U.S. exports were 50 per cent higher than they were in the same period last year, and U.S. investment also showed marked growth.

The break in formal diplomatic relations between Taiwan and the United States, and between Taiwan and the International Monetary Fund had no "detectable effects" on the area's economic stability, the survey reported.

Discount rate lowered to 10%

WASHINGTON, July 26 (AP) — The U.S. Federal Reserve Board lowered its discount rate Friday from 11 per cent to 10 per cent, effective Monday.

The action was described as a "purely technical adjustment" to bring the discount rate into alignment with other short-term interest rates. The discount rate is the interest rate charged by the Federal Reserve to its member banks.

Japan to pump UAR oil

TOKYO, July 26 (R) — A Japanese consortium said Friday it would start commercial crude oil production on the west coast of the Suez Gulf soon to extract an initial 5,000 barrels per day. The Egyptian Petroleum Development Company, jointly organized by Japanese oil refiners, said it plans to increase oil mining wells in the concession area there to double the oil production next year.



HOT CHICKENS: The American heat wave has caused huge losses for the poultry industry. Gene Wood of Southwest City, Missouri, collects dead chickens from a friend's farm. Wood says he has lost tens of thousands of dollars and predicts consumers will soon be paying higher poultry prices.

Olympics boycott sends novelty sales plunging

LOS ANGELES, July 26 (LAT) — Hundreds of thousands of Moscow 1980 summer Olympic yo-yos, jigsaw puzzles, leotards, pajamas, shower curtains, dolls, and scores of other novelty goods are collecting dust in storerooms and warehouses across the country. Many eventually will be destroyed. Others will be sold at huge discounts. A few will be altered so they still can be sold.

"Nobody will touch the stuff. I couldn't give it away," said New York City T-shirt manufacturer Jay Garber. "People just don't like Russia."

The games, which were expected to generate retail sales of more than \$100 million in the United States, have turned into a multi-million-dollar mess for the 58 companies licensed to produce Moscow Olympics products. The companies have lost an estimated \$10 million, excluding anticipated profits, according to the Department of Commerce. Individual losses have topped \$1 million.

The Department of Commerce, while sympathetic to their plight, has denied a request from 35 of the companies to buy \$10 million worth of Olympics souvenirs. It said no funds were available.

"There are a lot of small-business people around the country who stand to take a beating because of the boycott," conceded David Metzger of the small business administration's office of advocacy. The bottom has simply dropped out of the market. More than 350 novelty items were planned for this summer's Olympics.

Some companies, in a desperate attempt to recoup lost money, have altered their Olympic products by either eliminating the Olympic theme or substituting a boycott message. R. Dakin & Co. of San Francisco recently announced that it is converting 180,000 stuffed Misha bears into all-American teddy bears. Misha is the official

Rolls accepts merger offer, Vickers says

LONDON, July 26 (AFP) — More than 70 per cent of Rolls Royce cars shareholders have accepted a Vickers takeover offer, Vickers said Friday.

The bidding company, specially noted for its military equipment, has extended the acceptance date to allow other Rolls Royce shareholders to fall in line with the majority. The deal will be sent to Vickers shareholders Monday. Some of them are known to be against the takeover, but it was generally believed that the merger will take place.

1979 tanker explosion blamed on French owner

DUBLIN, July 26 (AFP) — Eighteen months after the French supertanker Betelgeuse exploded during pumping operations in Bantry Bay, southwest Ireland, killing 50 people, a government inquiry into the causes of the disaster Sunday placed the blame squarely on the vessel's owners, the Total Oil Company of France.

"At the time of the disaster," the inquiry found, "the vessel was in a seriously corroded and wasted condition." The 477-page report from the international commission, set up by the Eire government in May last year, found the explosion to have been caused by two separate factors: "A seriously weakened hull due to inadequate maintenance, and an excessive stress due to incorrect ballasting."

It was during ballasting operations at the Gulf Oil Company's terminal at Whiddy Island on the night of January 8, 1979 that the Betelgeuse caught fire and exploded killing 40 crew members, together with seven Gulf shore employees and three other persons who were aboard at the time.

Hyundai wins \$500m Iraq government jobs

SEOUL, July 26 (R) — The South Korean Hyundai Construction Company has won contracts worth \$500 million in Iraq, a company spokesman said Friday. The company has signed two contracts — one worth \$320 million to build three hospitals in Baghdad and another worth \$180 million for a sewerage scheme in Basrah, he said. The projects will be finished in July, 1983.

Iraq and Singapore are expected to sign a trade agreement by the end of this year, it was stated here Friday by Singapore's Trade Director Ridwan Dzafir who recently led a five-member trade delegation to Iraq and other Middle East countries.

Singapore will export to Iraq natural rubber, vegetable oils and wood products. Imports from Iraq will be mainly oil and oil products. Since last year Iraq has replaced Iran as one of Singapore's main oil suppliers, and is now the third supplier after Saudi Arabia and Kuwait.

Saudi Arabian Government Tenders

Authority	Description	No. of Tender	Price SR	Closing Date
Directorate of Education, Taif	Supply of prize articles, uniforms and physical education tools	5	Free	Aug. 31
" " "	Fencing of schools	4	400	Aug. 26
Ministry of the Interior, Dept. of Passports and Civil Status	Supply of printed materials	20		Sept. 3
Department of water and Sewage, Medina	Supply of stationery	20		Sept. 6
Municipality of Mecca	Cleaning and installation of new machines and pumps at six wells in the area of the green belt	72/400/401	300	Aug. 30
Governorate of Riyadh	Supply of water cisterns for mobile lavatories during the pilgrimage season	3	100	Aug. 25
" " "	Supply of vehicles	6	300	Aug. 18
" " "	Supply of office furniture and equipment	7	300	Aug. 19

Wall Street Report

Market off; Dow at 918

NEW YORK, July 26 — Concern over the Federal Reserve's failure to expand monetary targets created fear that the economy would take longer to recover. The stocks market closed sharply lower with the Dow Jones Industrial average down 8.02 points to 918. Declining issues outnumbered those advancing by a two to one margin, and volume was moderate at 36.5 million shares.

Energy related stocks moved broadly lower with Getty Oil at 75 down 1 1/2, Royal Dutch at 60 1/2 down 1 1/2, Standard of Indiana at 48 1/2 down 1/2, Standard of Ohio at 47 1/2 down 1/2, Mobil at 47 1/2 down 1/2, Standard of Cal. at 70 down 1/2, Schlumberger at 120 1/2 down 1/2, and Halliburton at 117 1/2 down 1/2.

Basic industry stocks closed fractionally lower. U.S. Steel at 21 1/2 down 1/4, Dow Chemical at 34 1/2 down 1/4, Union Carbide at 35 1/2 down 1/4, International Paper at 40 1/2 down 1/4, and DuPont at 41 1/2 down 1/4.

Some building and financial related issues displayed good relative strength. Johns-Manville at 24 1/2 was unchanged. Owens Corning at 25 1/2 up 1/4, U.S. Gypsum at 35 1/2 up 1/4, and Financial Federation at 38 1/2 up 1/4. In the Drug Group, Abbott Labs at 45 1/2 up 1/4, Johnson and Johnson at 79 1/2 up 1/4, Lilly at 52 1/2 down 1/4, and Upjohn at 55 1/2 down 1/4.

Technology stocks reflected a mixed trend. Moving lower with Honeywell at 85 1/2 down 1/4, IBM at 277 down 1/4. Original issues included Tetra Instruments at 101 1/2, Computervision at 124 1/2, and Motorola at 53 1/2 down 1/4. Precious metals moved sharply higher. Campbell Red Lake at 30 rose 1/2, Dome Mines at 109 1/2 gained 3/4, Homestake at 67 1/2 rose 1/4, and ASA at 55 1/2 up 1/4.

U.S. fleets fighting costs

Ships returning to diesel

LOS ANGELES, July 26 (LAT) — The hardy, fuel-efficient diesel engine — overlooked for 40 years by the U.S. maritime community — is now proving vital to American shipping companies beset by escalating fuel prices and lagging cargo tonnage.

Diesel engines propel more than 70 per cent of the 23,000 commercial ships in the world, according to U.S. Department of Commerce statistics, but 95 per cent of the 570-vessel U.S. merchant fleet is powered by steam-driven turbine engines.

The newest turbocharged diesels use approximately 35 per cent less fuel than turbine engines and can run on cheaper, less refined petroleum so crude it is "practically liquid asphalt," according to a vice president of the world's largest container shipping company.

That means a savings of at least \$1 million annually in fuel costs for a medium-size freighter of 35,000 tons, according to a Commerce Department study.

Although diesels produce a slower cruising speed (23 knots vs. 33 knots) and make considerably more noise than turbines, their fuel economy has become a necessity for American lines. The difference in the cost of the engines is not critical. A turbine costs "slightly but not significantly" more than a diesel, according to one shipping executive.

Diesel engines, developed in the late 1800s to power ships, work on the same internal combustion principles used in today's auto engines. Turbines, also widely used to drive today's industrial machinery, use steam-propelled rotary blades to turn the ship's shaft.

Encouraged by plentiful high-grade fuel and the Navy's desire to build a fleet of faster turbine merchant ships, diesel engine technology in the United States came to a stand-

still after World War II, maritime authorities agree.

Then petroleum costs began to climb — up 100 per cent just in the past year, from about \$9 to \$180 per metric ton, said Richard T. Soper, executive vice president of Sea-Land Industries Inc., the largest container shipping firm. At the same time, competition has been increasing for containerized cargo tonnage, which fell 2 per cent in the past year, Soper said.

In 1978, Sea-Land was one of the first U.S. lines to buy diesel ships. The company has decided to spend \$580 million for 12 foreign-made diesel vessels and other improvements. Six are being built in Japan and six more in Korea. Of 72 ships ordered in American shipyards so far this year, 52 will have diesel engines, Soper said.

All is not smooth sailing for the diesel, however. There is a shortage of trained shipboard engineers and major diesel repairs typically take longer than turbine overhauls because diesel engines are larger and more awkward to work with.

"I am slow to be convinced of anything," Soper said from Sea-Land's Menlo Park, N.J., office. "But we did four years of research. We interviewed about 100 foreign shipping line officers with extensive diesel experience."

Some of Sea-Land's first diesel cargo ships, launched in 1978, have successfully completed major repairs, Soper said. These ships use 47 metric tons of fuel per day, Soper said, compared to 57 tons for a similar capacity turbine-powered craft.

American President Lines, based in San Francisco, will be the first to use diesels made in the United States. Charles Deering, operations vice president, said his firm was not as enthusiastic as Sea-Land. "We have a few reservations," he said. "It's a fact of life, there is a potential for difficulties. New people will be working with a new technology."

AP has ordered three container ships, with a 40 per cent subsidy from the federal government, from Avondale Shipyards in New Orleans. As a condition of the subsidy, 40 per cent of the engine must be made in the United States.

PORTS AUTHORITY

JEDDAH ISLAMIC PORT
SHIPS MOVEMENTS UPTO 0700 HOURS ON 26TH JULY,
1980 — 14TH RAMADHAN 1400

1. VESSELS DISCHARGING :

Berth	Vessel	Agent	Cargo	Date
4	Mistral Universal	Star	Reefer	22.7.80
7	Union Yenko	O.C.E.	Cons/Steel	24.7.80
8	Maldive Promoter	O. Trade	Sorghum/Timber	23.7.80
9	Amali	O.C.E.	Marble	25.7.80
12	Bange 338-2	Gulf	Pylons/Structural parts	16.7.80
14	Concordie Sun	Alsabah	Centers/L. Oil Pipes	25.7.80
18	Zeus — 1	Rolaco	Bulk Cement	10.7.80
20	Ellion Hope	Algoasabi	Bagged Barley	17.7.80
21	Kampos	Gen/Project	Cargo	22.7.80
22	New Dragon	Orri	Maize/Rice/Sorgh.	23.7.80
23	Merawi	A.E.T.	Contr/Flr/Gen/Ld.	21.7.80
24	Mate Italic	M.E.S.A.	Timber	25.7.80
25	GINA	RedSea	Contrs/Cement/Gen	24.7.80
26	Jaget Priya	Alph	Bagged Barley	23.7.80
28	Brunell	RedSea	Contrs/General	20.7.80
29	Movi T	O.C.E.	Reefer	23.7.80
30	White Nile	A.E.T.	Contrs/Ro/Ro/General	24.7.80
31	ALMA	Kenoo	Flour/Rice/Contrs	16.7.80
36	Merry Viking	A. E. T.	Containers	25.7.80
40	Therese Mariner	A. E. T.	Containers	25.7.80
42	BOIN	O. C. E.	General/Steel	24.7.80

2. RECENT ARRIVALS :

Berth	Vessel	Agent	Cargo	Date
4	Concordie Sun	Alsabah	Contrs/General	25.7.80
7	Mate Italic	M.E.S.A.	Timber	25.7.80
8	Fidilio	Kenoo	Ro/Ro/Lo Units	25.7.80
12	Green Valley	Kenoo	Steel/Flour/Gen.	25.7.80
15	Tredo	Alsabah	Containers	25.7.80
21	Therese Mariner	A. E. T.	Containers	25.7.80
28	Songkle	Barber	Containers	25.7.80
30	Barber Nara	Barber	Contrs/Ro/Ro Units	26.7.80
36	Merry Viking	A.E.T.	Containers	25.7.80

DAMMAM PORT MANAGEMENT
SHIP MOVEMENT UPTO 0700 HRS ON 14.9.1400 —
26.7.1980 - CHANGES PAST 48 HRS

1. VESSELS DISCHARGING :

Berth	Ship	Agent	Cargo	Date
4	Kxao Mu	Gosabli	Gen/Contrs	25.7.80
5	Ming Challanear	Kanoo	General	28.7.80
8	Hellenic Pride	Gulf	Gen/Contrs	24.7.80
12	Jifar	Kanoo	General	25.7.80
15	Ibn Bassam	Kanoo	General	25.7.80
21	Blue Pine (D.B.)	Aliraza	General	25.7.80
29	Puau Pine (D.B.)	Kanoo	Bulk Cement	14.7.80
30	Ergina - 1	Gosabli	General	25.7.80
32	Ibn Al Roomi	Kanoo	Softwood	22.7.80
36	Pasara Flag	S M C	General	25.7.80

NOTICE

Saudi Tourist & Travel Bureau

Saudi Tourist and Travel Bureau hereby extends notification of the termination of all their agreements with Messrs Iran Air for all location in the Kingdom of Saudi Arabia with effect of the following dates:

General Sales Agency Agreement as of 20th Shawal, 1400, i.e., 31st August, 1980.

Ground Handling Agreement as of 21st Zulqadah, 1400, i.e., 30th September, 1980.

Saudi Tourist and Travel Bureau shall not render any services to Iran Air Haj flights with effect Haj season 1400.

Saudi Tourist and Travel Bureau hereby declare themselves clear from responsibilities or obligations on behalf of Iran Air and Iran Air personnel in the Kingdom of Saudi Arabia after the dates mentioned above.

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الموافق ٣١ أغسطس ١٩٨٠ م

عقد وكالة الخدمات الأرضية

اعتباراً من ٢١ ذو القعدة ١٤٠٠ م
الموافق ٣٠ سبتمبر ١٩٨٠ م

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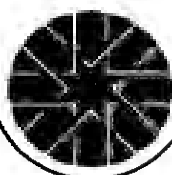
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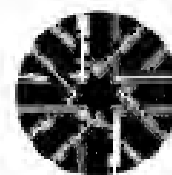
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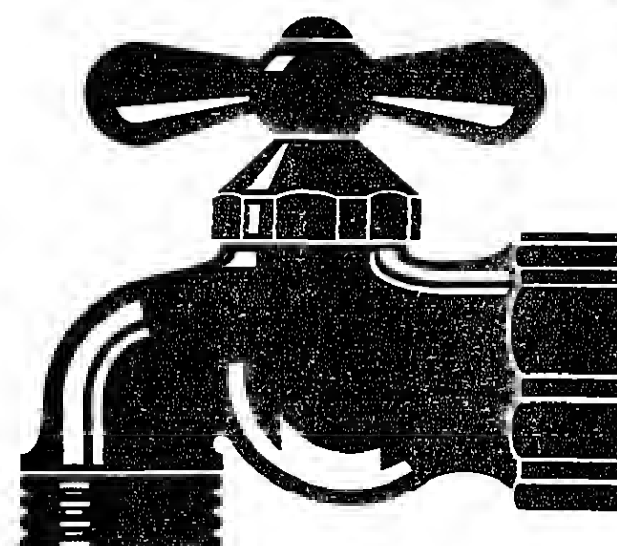
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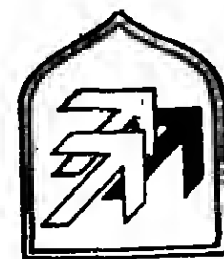
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PAGE 12

International

Carter discussed Billy's problems

WASHINGTON, July 26 (Agencies) — The White House Friday acknowledged that the Billy Carter affair was mentioned at a meeting on July 17 between President Jimmy Carter and U.S. Attorney General Benjamin Civiletti. This followed a disclosure earlier Friday by Civiletti that he mentioned the affair in a talk with the president on this date.

A Senate panel is preparing to investigate Billy Carter's connection with the Libyan government and the way the case has been handled by his brother's administration. The justice Department's office of professional responsibility is to hold an inquiry into whether Civiletti's action was in breach of the law or government regulations.

President Carter Friday traced a memorandum referring to a short conversation he had with the attorney general regarding his brother Billy. White House spokesman Jody Powell said here. The White House had not mentioned the matter before because neither the president, nor Civiletti remembered the meeting, Powell added.

Civiletti said earlier Friday that he told the president that his brother was "foolish for not having registered long ago" as a representative of the Libyan government. The attorney general said Thursday that the Justice Department, which he heads, "took care and pain ... not to disclose, discuss, inform or advise the White House or its aides or assistants about its investigation of Billy Carter."

Civiletti explained his contact with President Carter by saying it was not about the investigation, properly speaking. The attorney general added that he raised the topic, but expressly said he could not discuss the investigation.

President Carter phoned his brother on June 28 and July 7 to advise him to register as an agent representing the interests of a foreign country in the United States, the White House spokesman also said. Billy Carter,

who was loaned \$220,000 by the Libyan government, registered as an agent on July 14.

Rosalynn Carter, the president's wife, also reportedly asked Billy to approach the Libyan government to act as an intermediary to try and obtain the liberation of the American hostages held in Iran.

"We are in the process of providing you, and soon the Congress, with information as rapidly as we can, on events that took place months and sometimes years ago," Powell told the press. "The conflicting pressures of time and accuracy sometimes result in mistakes," he added.

The Senate investigation, which will be carried live by television, has put the administration under pressure, with the Democratic Party convention less than three weeks away. The Senate panel is to report by Oct. 4 — a month before the presidential elections.

The panel will be made up of four Democrats and three Republicans from the Judiciary Committee, and one Democrat and one Republican from the Foreign Relations Committee. Several witnesses are to appear before the panel, including Billy Carter, Libyan diplomats, the president's national security advisor Zbigniew Brzezinski, Civiletti, and perhaps even the president and his wife.

Meanwhile, an Italian lawyer was quoted Friday by the Italian news agency Ansa as saying he helped introduce Billy Carter to Libyan leaders and that he accepted a fee for his economic advice on a trip to Libya. The lawyer, Michele Papa, was quoted as saying that he and a group of other Italians visited Billy Carter in the United States in 1978 and invited him to come to Libya, which he did for the first time in October of that year. Papa has links in the Arab world and is president of the Sicilian-Arab Association.

'Concerned' over coup

U.S. stopping aid to Bolivia

WASHINGTON, July 26 (AP) — The Carter Administration called a halt Friday to all economic assistance to Bolivia except for food and other humanitarian programs.

The action was announced by Secretary of State Edmund S. Muskie "to demonstrate the depth of our concern" over the military coup in the South American country. He said the U.S. Embassy in La Paz would be cut back and the U.S. military advisory group withdrawn.

"The United States cannot support this attempt to thwart the will of the people of Bolivia," Muskie said of the military takeover. "Their journey toward democratic rule had not been an easy way. But the people had demonstrated their eagerness to follow

that path. We condemn this attempt to force them to turn back."

The moves announced by Muskie accelerate the administration's campaign against the new military regime. Ambassador Marvin Weissman was recalled earlier in the week and all U.S. military assistance terminated.

"We are deeply concerned over the coup in Bolivia," Muskie said. "Bolivia's democratic process has been thwarted. The will of the Bolivian people, freely expressed in recent elections, has been flagrantly violated. We deplore these actions."

He said the administration's views were widely shared both in the hemisphere and elsewhere in the world.

The Organization of American States met here, meanwhile, to consider a resolution deploring the coup and expressing "deepest concern over the loss of life and serious violations of human rights."

The Bolivian military took over the government last week to prevent a democratically-elected leftist presidential candidate, Hernan Silas Zuazo, from taking power next month.

The effect of the U.S. aid cutoff could be severe. Bolivia was already in economic difficulty before the army Gen. Luis Garcia Meza undertook the what he calls a process of nationalization.

In La Paz, two railway bridges have been blown up by miners still resisting last week's military takeover. The destruction of the bridges near the mining town of Oruro 250 kms. east of La Paz was the only incident to be reported by the authorities Friday, although reports from Potosi in the south of the country said 2,400 miners there were continuing an indefinite strike.



Police hunting 'opera house' killer

NEW YORK, July 26 (AP) — While police pressed their search for a suspect in the opera house murder of violinist Helen Hagnes Mink, the city's chief medical examiner reported the woman was alive when she was buried down an airstair to her

High body temperature fails to kill U.S. man

ATLANTA, Georgia, July 26 (AFP) — A 51-year-old heatwave victim here has survived the elevation of his body temperature to 47.05 degrees centigrade (116.7 degrees Fahrenheit).

The staff of the Grady Memorial Hospital said that their patient, Willie Jones, is probably the only person in the world to have survived such a body temperature. Dr. Gail Anderson said the staff was not able to explain how he could have been saved. Jones however did suffer injuries to his liver and to his vocal cords. It was not known if his brain had been affected.

The room temperature was more than 37 degrees centigrade (98 degrees Fahrenheit) on July 10 when he was discovered unconscious in his apartment, which had all the windows closed.

death during a performance of the Berlin Ballet.

"The cause of death was multiple fractures of the skull, ribs and bones of the lower extremities," said Dr. Elliot Gross after an autopsy of the 30-year-old freelance musician. "The skull fractures and other fatal injuries were the result of the fall from the roof to the ledge."

Mink's bound and nude body was found on a ledge in an air duct between the third and fourth floors of the Metropolitan Opera House Thursday morning. She "may have been unconscious" before she fell 60 feet from the duct's rooftop opening, Gross's report said.

The victim's shoes were found on the roof near the opening of the duct, and her clothes were found "near the body," police said Friday. Police were tight-lipped about what article of clothing was used to bind and gag her, suggesting it could provide a lead to the killer. There was "no apparent sexual assault," a police spokesman said.

The Canadian-born free-lance violinist had disappeared around 9:30 p.m. Wednesday evening during an intermission of a Berlin Ballet program. Her body was found hours later.



Billy Carter

Bani-Sadr asks Majlis to confirm prime minister

TEHRAN, July 26 (Agencies) — President Abolhassan Bani Sadr is to ask parliament to confirm interior minister and police chief Mustapha Mir-Salim as Iran's new prime minister, a spokesman for the president's staff said Saturday.

The presidential assistant did not say when parliament would act on the appointment and it was not known whether revolutionary guide Ayatollah Ruhollah Khomeini approved the choice. The proposal was being sent to the Majlis (Parliament).

The Majlis, which has to vote on the appointment, is expected to debate the nomination Sunday, the spokesman added. If approved, Mir-Salim will be Iran's first prime minister since Mehdi Bazargan resigned as head of a provisional cabinet last Nov. 6, two days after radical Muslim students seized the United States Embassy, taking 50 hostages. News of the proposal followed a two-hour meeting this morning between the president and Mir-Salim, who is also head of the police.

Mir-Salim, 33, graduated in engineering in France. He is a member of the clergy-dominated Islamic Republican Party (IRP).

Saturday's nomination follows weeks of wrangling between Bani-Sadr and the IRP, during which a series of names had been aired. The choice of Mir-Salim appeared to be a compromise. He is considered less of a hard-line Islamic fundamentalist than the IRP's preferred candidate, Jaleddin Farsi.

In his letter to the Majlis, quoted by the official Pars news agency, Bani-Sadr said he was proposing Mir-Salim "to unite and mobilize the country and to pull it from the crisis derived from the domination of foreign powers during the previous regime."

Meanwhile, a Tehran newspaper Saturday published a series of accusations including espionage charges against Cynthia Dwyer, an American freelance journalist arrested here in May.

But an official in the revolutionary pro-

secutor's office said it had not received any formal notification that charges were being made against her by the central revolutionary committee, Tehran's chief public security body. A committee official declined to comment.

Revolutionary guards detained Dwyer, who was accredited as a journalist for a publication in Buffalo, New York, at the Tehran Hilton hotel on May 5. Revolutionary prosecutor Awi Ghodussi said later she was in the city's Evvin prison.

But the official in his office denied Saturday that she was being held in Evvin and said she should be at the central committee. A committee spokesman would not confirm this.

In the accusations published Saturday, Dwyer was said to have been trying to identify counter-revolutionary groups to put them in touch with the U.S. Central Intelligence Agency, and to have cooperated with a group aiming to free the 52 American hostages held in Iran. Officials of the Swiss Embassy, which handles U.S. interests in Iran, were informed of the newspaper report and said they would look into it.

Three other journalists, a Briton and two New Zealanders, who had been arrested by the authorities here four days ago left Friday for home.

The two New Zealanders, Simon Maxwell and Scott Chisholm, worked respectively for UPI-ITT and Visnews television. They were arrested last Monday at the Intercontinental Hotel here by Islamic revolutionary committee members and told to get out of the country as soon as released.

The Briton John Connor, who also works for UPI-ITT, was freed within 24 hours and told he could stay on. He decided to leave anyway after being arrested once more Thursday and detained for two hours. Two more journalists, Karl Soerensen of Danish television and Hani Sami of Turkish television, continue to be held.

Japan to strengthen military

TOKYO, July 24 (AFP) — Japan is preparing to strengthening its armed forces, and probably will adopt a sizable increase in its military budget in response to an increasing Soviet presence in the region.

The self-defense forces budget, amounting to 2,230,000 million yen (about \$10.1 billion) or 0.9 per cent of the gross national product for the current fiscal year, has been one of the main political issues facing Zenko Suzuki, who on July 17 became the late Masayoshi Ohira's successor as prime minister.

The need for a stronger military capability was underscored by a defense study group created by Ohira last year, which said in a report released July 2 that Japan could not defend its borders in case of non-atomic attack. Its air bases and radar installations are particularly vulnerable, according to the report.

But because the constitution forbids an army, and because of the controversy surrounding the issue, Suzuki has announced simply his plans to increase self-defense capacity, adding that Japan will not become a military power. This week, he said he was considering the creation of a national security council with wider responsibilities than the present national defense council.

This council would study questions of security from military, diplomatic, economic and energy standpoints.

Meanwhile, Joji Omura, the new director of the national defense agency, has asked for an increase next year of at least 15 per cent in

the overall military budget, according to press reports. If granted, this would add 335,000 million yen (\$1.5 billion) to the present budget figures. But the finance ministry, hoping to balance Japan's budget, now 33 per cent covered by treasury bonds, has expressed its wish to limit the increase to 7.5 per cent.

The two sides could agree to a compromise 10 per cent increase, according to the press reports. This would add about \$1 billion to the present budget, but would keep defense spending below one per cent of the gross national product.

Despite opposition in some sectors of public opinion and in other parts of Southeast Asia, both the Liberal Democrat government — with its newly strengthened absolute majority in parliament — and the defense study group have recommended that the one per cent barrier be passed.

Typhoon leaves 18 dead

MANILA, July 26 (AFP) — Typhoon Kim left the Philippines Friday night with 18 people dead, six missing, several thousand families homeless and property destroyed worth more than \$13 million.

The typhoon, the strongest to hit the country so far this year, also sank an inter-island cargo ship in the central Philippines. The 25 crewmen were rescued by the Coast Guard. Kim came five days after another typhoon which killed 19 people, injured 17 and made more than 100,000 homeless, according to government figures.

Deng reports he'll assume new position

TOKYO, July 26 (AFP) — Chinese Vice-Premier Deng Xiaoping has told a Japanese parliamentarian in a message that he will become state chairman of the People's Republic of China after resigning his present post, the Yomiuri Daily News reported here Saturday.

In the message, Deng also said his resignation would be timed to coincide with the resignation of Hua Guofeng from the premiership. Hua would become full-time chairman of the Chinese Communist Party, the paper quoted "very reliable sources" as saying.

Vice-Premier Zhao, protégé of Deng, will succeed Hua as China's premier, according to the message.

The post of China's state chairman was eliminated in 1975 by a new constitution following the sacking of its last holder, Liu Shaoqi, during the Cultural Revolution. Since that time the chairman of the Chinese national people's congress standing committee has been considered the ceremonial head of state.

Liu was formally rehabilitated recently. Mao Tse-Tung, the founder of the Communist republic, resigned as head of state in 1959. A constitutional amendment will be necessary to re-establish the state chairmanship.

The Deng message was conveyed to the unidentified parliamentarian, a member of Japan's ruling Liberal Democratic Party and a close friend of Deng, by Tan Piling, a member of the Chinese Communist Party central committee the paper quoted the sources as saying. Tan, the first secretary of the party committee of Sichuan, Deng's home province, was visiting Japan at the head of a Chinese goodwill mission to Japan.

Observers noted that the reshuffle in China would consolidate the power of pragmatists, led by Deng who advocates China's modernization with the help of Western technology and financial assistance.

Hua, who at present has the dual role of premier and Communist Party chairman, is relatively young at 59, while Deng is 76. In a tumultuous political career he was twice purged as a "capitalist roadster."

It was earlier reported that Hua and Deng were expected to tender their resignations from government duties at the third session of the fifth national people's congress opening in Peking in late August.

U.S. prime rate at 11%

NEW YORK, July 26 (R) — Citibank, the second largest U.S. bank, Friday lowered its prime lending rate to 11 per cent from 11-1/4 per cent.

The prime lending rate is charged by banks to their largest corporate customers. Citibank's latest rate is still a quarter of a percentage point above the rate posted Thursday by two other big New York banks, Chase Manhattan and Chemical.

Financial analysts say the decline in the prime lending rate reflects weak demand among businesses to borrow funds in the teeth of a recession and uncertainty about the economy's future.

Riviera heist nets burglars \$20m in jewels

CANNES, France July 26 (AP) — A daring burglary netted jewelry and cash worth an estimated \$20 million from the French Riviera villa of a member of the ruling family of the Gulf state of Qatar, French police said Friday.

The burglar got away with a fabulous collection of jewelry and some \$120,000 in foreign currencies "from on top of a bedside table," police said.

They said Prince Abdel Aziz Bin Ahmed Al Thani, son of the former Emir of Qatar, estimated the sum in reporting the theft. Police said they had not yet confirmed the value. If they do, it will be one of the largest known robberies in France, police said.

The burglary Thursday night came only hours after three armed bandits escaped with foreign currency worth some \$2.5 million from an armored car in the streets of the jewelry. Easter, 12 million francs (about \$3 million) was stolen from a hotel safe deposit room in the city.

The prince and his wife live in a guarded villa with a staff of 20 on the hills above Cannes. He is reputed to gamble up to 1.5 million francs (about \$375,000) daily in Riviera casinos.

Good Morning

By Jihad Khazen

A friend of the type we used to call "concerned," saw me watching with evident enjoyment the television report of the car race at Brands Hatch in which the Saudi Williams took part (and then scored a brilliant win). My enjoyment, of course, made him even more "concerned," and he turned to me in rebuke: Wouldn't it have been better for the Saudi Airline to have spent its money on improving its services and training? Why waste money on such frivolities?

My considered answer, after prolonged cheering for the victory, was a most determined negative. The investment the airline made in the British car is one of its most successful. The good will resulting from the operation, and the sheer advertisement value far exceed the amount of money involved. The Saudia name, in both Arabic and English, is to be seen everywhere there is a car race — and the sport is one of the most popular in the West.

If the investment was wise, it has also to be admitted that it was also exceedingly lucky. The point is that Saudia's name is linked with a series of brilliant successes, and, in the field of motor racing, this is something no amount of money spent can guarantee, as many companies more powerful and richer than Saudia have had to discover. In this case, no sooner the partnership between the Saudia and the Britishers started than the luck of the racing team began to change for the better.

Car designer Frank Williams had been in the game for ten years, with nothing much to show for all his hard work and expertise — until suddenly the whole thing seemed to jell just as Saudia entered into partnership with him. The same goes for champion driver Allan Jones, who has been at it for years without his name becoming known, then equally suddenly, victories followed each other almost without interruption.

There was wisdom in the investment, certainly; but, perhaps even more importantly, there was luck too — and plenty of it.

Translated from Ashraf Al-Awsat

Cambodians rush toward Thai border

BANGKOK, July 26 (AFP) — Thousands of Cambodian civilians have surged towards Thailand as Vietnamese-led forces and Khmer Rouge guerrillas fought fierce battles in foothills in the extreme west of Cambodia, field reports said.

The reports estimated that some 2,000 civilians under Khmer Rouge control converged on the Klong Nam Sai canal marking the Thai-Cambodian border, as the rival forces struggled further east in the jungle Phnom Malai range.

Thai reconnaissance planes, two OV-10s and an L-19, flew patrol missions as fighting raged at some 30 kms. south of the Cambodian border town of Poipet. But the reports stressed that the refugees were massed on the Cambodian side of the canal, and earlier published disclosures that they had been refused entry into Thailand could not be confirmed.

The refugees, taking cover opposite Thailand's Nong Prue village, reportedly said most civilians under the guerrillas' control were now crowding in a concentration 20 kms. further south, opposite the Thai border village of Klong Wah.

The disclosure appeared to confirm that the guerrillas' main force had been forced to retreat south in the face of a fierce onslaught from Vietnamese-led forces over the past five days.

But continued fighting in the northern hills of the Phnom Malai suggested that the guerrillas' rear guard was putting up fierce resistance in a bid to oust Vietnamese-led forces from positions recently gained. Thai military sources said. Small commando units were still being used to harass the Vietnamese, backed up with tanks and heavy artillery, the sources added.

The guerrillas, a total force of about 40,000 to 50,000 operating throughout Cambodia, are fighting a 200,000 strong Vietnamese army supporting the 19-month Heng Samrin regime in Phnom Penh.

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